

(Translation)



Disclosure Report Form

(Form 56-1)

For the Year Ended December 31, 2019

TMB Bank Public Company Limited

Contents

Part 1	Business Operations	Page
	1. Policy and Business Overview	1-10
	2. Nature of Business	11-28
	3. Risk Factors	29-43
	4. Business Assets	44-53
	5. Legal Disputes	54-54
	6. General and other significant information	55-59
Part 2	Management and Compliance	
	7. Bank's Securities and Shareholders	60-69
	8. Management Structure	70-86
	9. Corporate Governance	87-129
	10. Corporate Social Responsibilities	130-134
	11. Internal and risk management control	135-137
	12. Related transactions	138-139
Part 3	Financial Position and Operational Performance	
	13. Key Financial Information	140-149
	14. Management Discussion and Analysis	150-169
	Certification of Information Accuracy	
Attachment 1	Details of the Bank's Directors and Executive Officers, authorized persons and company secretary as of December 31, 2019	1-20
Attachment 2	Details of the Bank's Executive officers who assume the positions in subsidiaries, associated companies, and related companies as of December 31, 2019	1-4
Attachment 3	Details of TMB's Head of Audit and Head of Compliance	1-2
Attachment 4	Information of Appraised Value of Assets	1-1
Attachment 5	Report of change in TMB Shares held by Directors and Executives in 2019	1-1

Part 1: Business Operations

1. Policy and Business Overview

1.1 The Bank's vision, target and strategy

1.1.1 Background

TMB Bank Public Company Limited. ("TMB" or "the Bank") was established on November 5, 1957 at Mansion 2, Rajdamnern Avenue, Bangkok. At that time, Field Marshal Saridi Dhanarajata was Chairman of the Board of Directors, Mr. Chote Guna-Kasem was the Bank's President, and the Bank had a total workforce of 26. TMB's initial registered capital was THB 10 million, divided into 100,000 shares, each with THB 100 par value. Most of the shareholders in the initial stage were military personnel both in-service and out-of-service.

The year 1982 marked a milestone for the Bank as His Majesty King Bhumibol Adulyadej graciously bestowed the Royal Garuda Emblem to TMB and its registered capital had its first increase, from THB 10 million to THB 100 million. To expand the fund raising capability, the Bank was listed on the Stock Exchange of Thailand (SET) on December 23, 1983 and transformed into a public company limited in 1994. As of December 31, 2013, the Bank's registered capital was THB 41,903,301,555 of which THB 41,426,006,153 was paid up and 43,606,322,266 from common stock with par value of THB 0.95 per share.

Thai Military Bank Pcl., DBS Thai Danu Bank Pcl. and the Industrial Finance Corporation of Thailand legally merged to become TMB Bank Pcl. on September 1, 2004. This merger enabled the Bank to operate as a universal bank, with total assets of THB 673 billion as of December 31, 2004.

In December 2007, TMB underwent a share capital increase of THB 37,622 million by forming a new business partnership with ING Group, a leading financial institution from The Netherlands. After recapitalization, the Ministry of Finance held 26.1% and ING Group held 25.2% of the entire issued and offered shares of the Bank. ING Group also held NVDRs (Non-Voting Depository Receipts) representing rights to TMB's securities and/or ordinary shares for 4.92% of the entire issued and offered shares of the Bank.

Currently, TMB is the sixth largest bank in Thailand in term of total assets, deposits and loans. The Bank has total assets of THB 1,865.0 billion, deposits of THB 1,398.3 billion and net loans of THB 1,394.0 billion as of December 31, 2019 (Consolidated Balance sheet included TBANK's financial position).

1.1.2 The Bank's vision and strategy in business operations for the next 5 years

- TMB Strategy

The Bank has formulated 7 Strategic Intents which will drive TMB to achieve the targets:

1. Customer Centricity

TMB places emphasis on the customer at a center of business operation by gathering and analysing customer's behaviour in order to develop financial products and services to meet their needs and provide better

customer experience. Moreover, TMB also measures customer satisfactory to continuously improve the Bank's products and services.

2. Build Deposit and transactional Banking Products Excellence

TMB has used Deposit-led strategy to differentiate customer value proposition in deposit products and transactional banking services. With this strategy, TMB can deepen relationship with customers and understand customers better which will result in becoming main bank of customers.

3. Build Sustainable and Recurring Non-interest Income

TMB continued to emphasis on building sustainable non-interest income capability. Building non-interest income capability allows the Bank to effectively manage capital because of the minimal capital requirement compare to credit-related income, for example, bancassurance products and mutual fund products. Moreover, non-interest income will help ensure sustainable bottom line through business cycles. TMB applied business model of distributor and open architecture by searching for suitable business partners and best products to be on the Bank's shelf. This is to ensure the best offering to customers.

4. Continue Leading in Auto Loan and Lending products

After the merger, the Bank can leverage strength of TBANK's auto loan to further expand the business and fulfill customer's lending needs. With completed product suites, this enhances the ability to cope with the change in market environment and competition to maintain leadership position.

5. Optimise Capital Utilisation and Liquidity Management

TMB is strongly committed to delivering the level of profit expected by investors and has set the target to earn same level ROE with top bank performers within the next 3-5 years. To achieve this, the Bank has focused on selectively growing balance sheet to generate incremental return.

6. Enhance Digital Capability and Solutions

The current financial transaction is continuously growing in the digital channel due to the shift in customer's behaviour and rapid technological development. To be prompt in these changes, TMB has continually investing in IT infrastructure, cyber security and customer data privacy system, as well as developing staff's competencies, corporate culture in alignment to the digital era and digitalizing business processes to speed up product development cycle and enhance better customer experience.

7. Capture Synergy Realization

With the merger, the Bank see 3 potential synergy areas that the Bank can capture and create opportunities to generate future income – Balance sheet synergies, Investment & cost synergy and Revenue synergy. The integration blueprint has been developed to ensure the synergy realization and smooth business transition.

1.2 Significant changes and development in the past 5 years

1.2.1 Significant changes and development in the past 5 years

2014

- TMB achieved the target Return on Equity (ROE) of 14.7%. The strong growth is attributed to the successful implementation of the Bank's strategies. Moreover, TMB achieved success in asset quality management shown by the decrease of percentage of non-performing loans (NPL) ratio to 2.85% while the coverage ratio improved to 157%.

- Moody's credit rating agency upgraded TMB's credit rating from Baa3 to Baa2 with "stable" outlook based on steady improvement of operating performance and ability to manage asset quality and continued strong liquidity.

- TMB successfully issued Hybrid Tier 2 with maturity in 2024 amounted THB 15 billion with a 5.50%, where the issuance has the rights to redemption before maturity. The issuance allows TMB's capital adequacy ratio (CAR) to improve to 18.3% in 2014.

- TMB upgraded TMB Internet Banking and introduced TMB Touch, a mobile banking application for both iOS and Android operating system, to help facilitate customers' transactional needs. Customers are able to perform banking activities anytime anywhere. In addition, to provide convenience to customers to make cash deposits, TMB increased number of outlets by 2,400 service areas through the network of Government Saving Bank Branches and Thai Post Offices.

- TMB introduced new credit card products such as TMB So Smart and TMB So Fast. Moreover, TMB improved the benefit and convenience of One Bank account by providing cheque collection to commercial customers.

2015

- TMB had strong growth in deposit and loans including 20% increase in PPOP despite economic volatility. In addition, TMB successfully issued Renminbi-denominated bond (Dim Sum Bond) worth RMB 600 mn with three-year maturity, which is the first RMB benchmark bond issued from Thailand. TMB was also awarded "Best Local Currency Bond 2015" from The Asset Triple A Country Awards.

- TMB officially launched TMB Touch, a mobile banking application designed to help make daily banking easier, more convenient and is highly secured. Moreover, TMB further enhanced the commercial internet banking platform or TMB Business Click with the additions of the SMART and BAHTNET fund transfer to provide greater convenience for commercial customers to manage their accounts. Additionally, TMB introduced TMB e-Guarantee, which is a tool for business owners who would like to participate in the governmental auction. Business owners can easily and conveniently request the letter of guarantee without the need to contact the branch.

- TMB All Free is a newly enhanced transactional deposit account that allows customers to perform unlimited transactions within TMB and to make unlimited withdrawals at any bank's ATM free of charge. Additionally, customers can transfer to other bank's account or pay bills including direct debit without charge up to 5 times a month without

minimum balance requirements. The success is shown in the strong growth of Transactional deposits that grew 10% in 2015.

- TMB launched 'Talent Development Program' because TMB believes that capable employees are the driving force in improving customer experience and TMB's competitiveness. Through the talent development program, employees are given opportunities to strengthen their knowledge and experiences with a clear career development plan within TMB and necessary supports to further enhance their capabilities.

- Over 6 years of "FAI-FAH" program, TMB aims to give the opportunities and cultivate young people to create value and return back to the community through various activities. Moreover, TMB introduced "FAI FAH in a box" which allowed Branch staff to connect with local residents and to address the needs of surrounding communities. The initiative aimed to help address local issues and to develop surrounding communities in a sustainable approach by truly understand their needs and establishing "Make THE Difference". In 2015, TMB was awarded "The Best Community Development for "FAI FAH" CSR Program" and "CSR Practice in Banking and Finance in Asia" in the 5th Asia Best CSR Practice Awards.

2016

- TMB has successfully delivered transformation initiatives in 2016 and will continue to deliver transformation's success to Make THE Differences and to enable the bank to gain competitive edge against competitors.

- Achieved 10% Growth in Pre-Provision Operating Profit (PPOP) Despite Slow Economic Growth. There was a strong growth in Bancassurance products as TMB has better understanding of customer needs, thus, TMB offered products that easy to use at affordable price with "simple and affordable" concept.

- Moreover, TMB continued to deliver operational excellence in 2016. TMB improved turnaround time of retail secure lending applications from submission to approval down from more than 30 days to 5 days.

- TMB is committed to deliver transactional banking efficiency and convenience that relieves banking pains and allows customers to efficiently connect to their business partners and communities. In 2016, TMB enhanced TMB All Free account in order to better address customers' transactional needs. With the enhancement, not only customers continued to unlimited transact within TMB and withdraw cash at any bank's ATMs free of charge, the customers now can make unlimited, not just 5 times a month, transfers to other bank's accounts and bill payments including direct debit without charge and without any minimum balance requirement.

- Since the official launch of TMB Touch, TMB's mobile application that facilitates customers on their daily financial transactions, in 2015, numbers of retail electronic transaction rapidly grew in 2016 and surpassed numbers of transaction at branches.

- The National E-Payment Initiative, a collaborative effort between Thai Government and Private sectors in laying the foundation of payments and economy of Thailand, gained tremendous traction with the announcement of PromptPay, the first e-payment initiative that offers convenience for consumers to make payments and receive payments

from other individuals or government agencies quicker and easier, which TMB had enhanced our infrastructure and services to accommodate the official launch in 2017.

- TMB was the first bank to launch a product that supports Business Security Act which was enforced on July 2nd, 2016. The product, named TMB Top-Up Credit, aims to provide Thai SMEs greater opportunities to access funding and thereby start their businesses. SME customers can use “Asset with economic value” on top of land and building as collateral for business loan.

- TMB believes that capable employees are critical in driving better customer experience which ultimately TMB's competitiveness. In 2016, TMB delinked remunerations and benefits from corporate titles in order to stimulate staff to effectively improve their capabilities and to drive the organization forward. TMB also restructured the organization by reducing the corporate levels down from 6 to 5 to improve agility and to allow staff to effectively demonstrate their capabilities.

2017

- Grow in customer base from primary banking benefits and right transactional products. With PromptPay's value proposition that offers receive payment free of charge together with All Free account that provide customers free payment transaction, the customers could get complete free transactional account that allow them to manage their financial transaction at better efficiency resulted in 50.9% growth in All Free account deposit.

- To build relationship with customers to use TMB as their main bank and increase digital channel transaction, TMB launched loyalty program offering primary banking benefits called TMB WOW. There was a good response from the market, over 40% of mobile banking customers joined the program. From continuous improvement in both marketing benefits and customer experiences, TMB Touch, TMB's mobile application has been rapidly adopted with over 1 million users in 2017.

- Non-interest income continuously improved at 21.4% in 2017. TMB renew strategic collaboration with FWD Life Insurance Public Company Limited for initial term 15 years, starting from January 1st, 2017. For this alliance with FWD, TMB received an access fee approximately THB19,582 million, net of all taxes and expense, excluding commission and profit sharing. TMB and FWD have been working closely for a long time in delivering life insurance products to TMB customers. The renewal of the collaboration would support TMB in strengthening bancassurance business with the aim of continuously serving the customers products and services that suit their needs.

- To strengthen Mutual Fund Open Architecture value proposition, TMB first introduced Mutual Fund transaction available on mobile banking (TMB Touch) that provided customers convenience in both doing transaction and monitoring their portfolio movement with high performance funds available for different risk profiles. To provide customers advisory in sophisticated investment, TMB Advisory has been launched together with Advisory room at selective branches that allowed customers to have access to investment expert from their nearby branches through video conference with branch staff accompany and facilitating the meeting. The initiatives yielded a good result as Mutual fund fee income grew 76% in 2017.

2018

- Building primary customer base remained a key focus. “Get More with TMB” value proposition has been launched to engage customers to use TMB as their main bank. Number of primary customers rose from 2017 by 20%. The campaign also brought in new customers who wanted to enjoy the benefits. TMB grew new No-Fixed account at 0.54 million accounts and All Free account at 0.53 million accounts in 2018.

- To continue and further enhance Open Architecture proposition, TMB announced partnership with Eastspring Investment, lead asset management in Asia. This partnership not only brought in significant additional revenue to TMB that resulted 85% increase in non-interest income from 65% stake in TMBAM, but it will also allow TMB to have access to global fund management expertise from Prudential group. Eastspring has been successful in Asian markets with top funds available across Asia. TMBAM would be able to gain supports and bring in knowhow to develop more variety of products and services. This would ultimately also benefit TMB and a key partner and shareholder.

- With IFRS9 approaching and additional revenue from TMBAM and Eastspring transaction, TMB took a prudent strategy by setting up additional provision. Total provision therefore, increased to 16,100 million in 2018.

1.2.2 Significant changes and development in year 2019

2019 marked a significant milestone for TMB with the successful execution of the merger transaction with Thanachart Bank, making it one of the largest banks in Thailand. This merger plan is a perfect match for both banks since they have different strengths that complement each other. While TMB has a strong proposition of transactional banking excellence, Thanachart Bank has expertise in retail lending, particularly in the hire purchase business. The combined core strengths of both banks will truly create synergy for growth opportunities.

- TMB has entered into a non-binding Memorandum of Understanding with ING Groep N.V. (“ING”), Thanachart Capital (“TCAP”), The Bank of Nova Scotia (“BNS”) and Thanachart Bank (“TBANK”) to set out the non-binding agreement in principle of the parties and form the basis for further discussion in relation to series of transactions to be entered into by the parties with the objective of merging TMB and TBANK such as due diligence and primitive agreement. The combination of TMB and TBANK would significantly enhance the scale and create synergies of the Combined Bank’s business in 3 main dimensions:

- 1) Balance sheet synergies through balance sheet optimization by allowing the Merged Bank to utilize its assets and raise funds more efficiently.
- 2) Cost synergies from a greater economy of scale, especially from the integration of key business support areas such as IT infrastructure investment and operations etc.
- 3) Revenue synergies which would enhance ability to introduce new and more varied financial products and services to cater its customer’s need. from double of the customer base.

- Moreover, TMB has entered into the Sale and Purchase Agreement (SPA) for Shares in Thanachart Bank with TCAP and BNS on 8 August 2019. Under SPA, TMB agreed to acquire 6,062,438,397 shares in TBANK, accounting for

approximately 99.96% of the shares, which are held by TCAP and BNS. In addition to the purchase of TBANK shares from two major shareholders, TMB further purchase the remaining 2,423,773 shares, accounting for approximately 0.04% of the total issued share from other minority shareholders of TBANK.

- The extraordinary general meeting of shareholders (the EGM 1/2019) was held on 23 September 2019 in accordance with the board resolution relating to the acquisition of shares in TBANK. At the meeting, shareholder's resolution was approved the merger of TMB and TBANK, the issuance of newly issued shares to accommodate the exercise of TSRs allocated to its existing shareholders and offering of its newly issued shares to all TBANK existing shareholders on a preferential public offering basis (PPO).

Total capital raising was approximately THB137.3 billion which essentially came from (1) equity financing of THB92.6 billion via the issuance of TSR (Transferable Subscription Rights) to TMB's existing shareholders with an exercise price at THB1.40 per share and offered newly issued share to new investors and (2) debt financing of THB44.7 billion via issuance of subordinate debenture, Additional Tier I instrument and senior EUR bond.

- On December 3, 2019, TMB completed the acquisition of 6,062,438,397 shares, accounting for 99.96% of the total outstanding shares in TBANK from TCAP and BNS at the price of THB 27.55. On the same date, TMB have concurrently issued and offered a total of 25,113,805,279 new shares at the price of THB2.16 per share which equals to 1.1 times of TMB book value per share derived from TMB's consolidated financial statement as of 30 September 2019 and the financial information in relation to its net profit from the end date of its latest financial statements to the 31 October 2019 plus accounting adjustment to TCAP and BNS. In conclusion, TMB successfully acquired 6,062,438,397 shares, accounting for 99.96% of total shares in TBANK from TCAP and BNS in total amount of THB167,903 million. As a result, TBANK is currently a subsidiary of TMB. The entire business transfer from TBANK to TMB is expected to complete in 2021.

- In accordance to the merger plan, TMB has announced the completion of the sale by TBANK of shares in Thanachart Fund (TFUND) to Prudential with regards to the agreement which signed on 30 September 2019. According to the agreement, TBANK sold a first lot consisting of 25.1% of TFUND (out of its 75% holding) whereas GSB sold all of its 25% of TFUND to Prudential. The total value of TFUND transaction is expected to be not less than THB8.4 billion. Currently, TMB holds a 35% stake in TMBAM Eastspring. After having purchased Thanachart Bank's shares, TMB will hold a 49.9% of TFUND indirectly. Going forward, 49.9% of TFUND will represent in balance sheet as investment in associate and in income statement as profit sharing from associated company. Both TMB and Eastspring have planned to merge TMBAM Eastspring and TFUND in 2021. Within 5 years, TMB has an option to sell its entire stake in the new company to Prudential in order to re-affirm its commitment toward mutual funds open architecture strategy.

- Both TMB and Thanachart Bank have developed an integration blueprint dedicated to ensure synergy realization and smooth business transition. Additionally, both banks have already announced the benchmark lending rate (M-Rate) calibration. TMB has also begun to adjust its loan structure to prepare liquidity for the hire purchase loan portfolio and reaffirm its open architecture strategy by forming a partnership with Thanachart Fund. And as one of our top

priorities, TMB has prepared for Thanachart Bank's customer migration and planned to increase product coverage in order to smoothen customer migration and ensure customer satisfaction will be achieved. Co-location branch strategy will also be employed to facilitate the customer onboarding plan.

In terms of shareholding structure, major shareholders currently consist of ING Bank N.V. 23.03%, Thanachart Capital PCL 20.11%, Ministry of Finance 11.79% and VAYUPAK FUND1 9.94% (Current unit holders of Vayupak Fund 1 are Ministry of Finance and may also consist of other government units) and BNS 5.94% on book closed date 11 December 2019.

1.3 Structure of Shareholders

1.3.1 Business Consolidation Policy

TMB segregates the business activities of its group companies in accordance with the Bank of Thailand's consolidated supervision regulation, which calls for a bank's setting up of a financial business group. The financial business group consists of companies divided into two categories, based on the Bank's ownership portion and type of business, as follows:

1. **Solo consolidation** is defined as a company which operates as a credit or the business like credit which has the specific law regulated institution and the Bank holds at least 75% of its issued and paid-up share capital and its management is under the Bank's supervision.

2. **Non-consolidation** comprising companies engaging in the financial business and businesses supporting the Bank's operations, as follows:

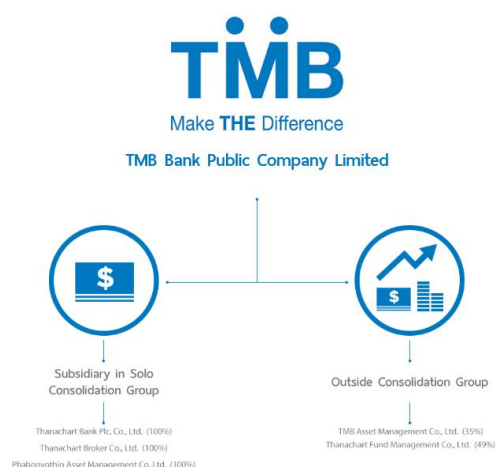
- **Financial business group** is defined as a company which operates financial business and the Bank holds at least 50% of its issued and paid-up share capital which such business has the specific law regulated such as security business, life insurance business, non-life insurance business, credit card business, personal loan under regulated, retail lending, and asset management business.
- **Supporting business group** is defined into 2 types:

(1) Operating company which engages in function tasks that are normal banking operation or tasks that are directly support the operations of the Bank, provide service to the company in the same financial business group, or in accordance with Bank of Thailand Notification re: Permission of Commercial Bank in provide service to the financial business group or regulator (insourcing). However, if the support function is the company that doing in IT Infrastructure then such company can provide service to public. In addition, the support function such as cash delivery is permitted to provide its service to the other cash delivery operator during the crisis situation as per their Business Continuity Plan: (BCP).

(2) Fintech business that provide the supporting business or support the financial information for the customers in requesting the lending from the financial institutions. The supporting company is the company that the Bank holds at least 50% of its issued and paid-up share capital.

The Bank's subsidiaries are classified based on this group structure as shown in the chart below:

1.3.2 The Bank's Group Structure Chart



1.3.3 Business description of subsidiary and associated companies

As of December 31, 2019, TMB had invested in subsidiary and associated companies as described below:

Name	Type of business	Investment value by cost method as of Dec 31, 2019 (THB million)	% of shareholding by TMB as of Dec 31, 2019
<u>Subsidiary companies</u>			
1. Thanachart Bank Plc., Co., Ltd	Bank	167,840	99.98% ^{1/}
2. Phahonyothin Asset Management Co., Ltd	Asset management	25	100.00%
3. Thanachart Broker Co., Ltd. ^{2/}	Insurance brokerage	-	100.00%
4. Phayathai Asset Management Co., Ltd. ^{3/}	Asset management	-	-
<u>Total investment in subsidiary companies</u>		167,865	
<u>Associate Companies</u>			
1. TMB Asset Management Co., Ltd.	Fund management	197	35.00%
2. Thanachart Fund Management Co., Ltd. ^{2/}	Fund management	-	49.90%
<u>Total investment in associated companies</u>		197	
<u>Net investment in subsidiary and associated companies</u>		168,062	

1/ The remaining 0.02% of the total share in TBANK is owned by minority shareholders.

2/ Investments in Thanachart Broker and Thanachart Fund Management are consolidated in an investment in Thanachart Bank.

3/ The company registered dissolution with Ministry of Commerce on 26 December 2018 and currently on liquidation process.

- **Thanachart Bank Plc., Co., Ltd.** – Operating commercial banking business and other businesses permitted by the BOT, which include non-life brokerage, life insurance brokerage, and securities business consisting of securities brokerage, securities trading and selling of units trusts, mutual fund supervisor, private fund custodian, bond broker-dealer, securities registrar, and gold futures contract trader.

- **Phahonyothin Asset Management Co., Ltd.** – Established by TMB to manage non-performing loans, non-performing assets and relevant collateral transferred from the Bank to ensure optimum returns.
- **Thanachart Broker Co., Ltd** – Operating non-life insurance brokerage and life insurance brokerage business, providing service for the car and motorcycle registration and annual registered tax to customers of Thanachart Group, recommending financial products of TBANK, providing service for the annual motor transportation tax and car insurance renewal to customers of hire-purchase from TBANK, providing service for the tax reminder and collection, and insurance fee and any related fee provide services for, and services the other businesses of non-life and life insurance businesses.
- **TMB Asset Management Co., Ltd.** – Engaging in fund management in compliance with the Securities and Exchange Act and in investment management under the permission of the Securities and Exchange Commission. The company was established by a consortium of shareholders led by TMB Bank and currently provides a wide range of mutual funds and provident funds to the customers.
- **Thanachart Fund Management Co., Ltd.** – A joint venture between TBANK (holding 75 percent of the total shares) and the Government Savings Bank (holding 25 percent). As it operates businesses related to not only management of mutual funds, private funds, and provident funds, but also investment advisory business, the company could be considered one with integrated advisory services.

2. Nature of Business

Income structure

Income structure of TMB and its subsidiaries consist of interest income, fees and service income and other operating income. Details are in the following income structure table for the years ended December 31, 2017-2019:

(Unit: THB million)

Income structure	For the year ended December 31,					
	2019	%	2018	%	2017	%
Interest income	39,837	71.1	35,128	56.6	34,713	68.9
Interbank and money market items	1,965	3.5	1,761	2.8	1,824	3.6
Investments and trading transactions	131	0.2	56	0.1	61	0.1
Investments in debt securities	1,555	2.8	1,219	2.0	1,213	2.4
Loans to customers	34,334	61.3	32,082	51.7	31,580	62.7
Hire purchase and finance leases	1,822	3.2	-	-	-	-
Others	30	0.1	10	-	35	0.1
Fees and service income	11,343	20.2	12,764	20.6	13,533	26.9
Gains on trading and foreign exchange transactions, net	1,528	2.7	1,529	2.4	1,147	2.3
Losses on financial liabilities designated at fair value through profit or loss, net	(22)	-	(11)	-	(24)	-
Gains on investments, net	1,956	3.5	11,963	19.2	64	0.1
Share of profit from investment using equity method	324	0.6	64	0.1	-	-
Other operating income	1,072	1.9	663	1.1	932	1.8
Total income	56,038	100.0	62,100	100.0	50,365	100.0

2.1 Products and services

TMB offers financial products and services, ranging from deposit, loans, investment product and bancassurance. However, each customer segment has different financial needs. As a customer centric organization, understanding customer's needs is one of TMB key success factors. TMB business is organized into 3 key customer segments as follows:

1. Wholesale Banking Group
2. SME Banking Group
3. Retail Banking Group

2.1.1 Product and services for Wholesale Banking customers

- **Multi-corporate Banking segment:** Customer group with annual sales turnover more than THB5.0 billion.
- **Corporate Banking segment:** Customer group with annual sales turnover of THB1.0 billion – THB5.0 billion

- **Business Banking segment:** Customer group with annual sales turnover of THB100 million – THB1.0 billion

Type	Products and services
Deposit	Business accounts (TMB One Bank)
Loan and Financing	Working capital Supply chain solutions Letter of guarantee
Payment and Collection	Payment service Collection service Liquidity management
International Trade	International trade finance service Capital market risk management
Insurance	Bancassurance & Business Protection
Others	Corporate card Agency service Investment banking

2.1.2 Product and service for SME Banking customers

- **Small Enterprise:** Annual sales per year up to THB100 million.

Type	Products and services
Deposit	SME account (TMB One Bank)
Loan and Financing	Working capital Supply chain solutions Special funding programme for SME (TMB SME Smart Biz) Letter of guarantee
Payment and Collection	Payment service Collection service Liquidity management
International Trade	International trade finance service Capital market risk management
Insurance	Bancassurance & Business Protection
Others	Corporate card

2.1.3 Products and service for Retail customers

- Affluent for customers who have income from THB 100,000 and above
- Middle Income for customers who have income from THB15,000 to THB100,000
- Mass for customers who have income up to THB15,000

Type	Products and services
Deposit	Transactional account (All Free) Savings account (No Fixed)
Loan	Personal loan Home loan
Mutual fund	TMB Open Architecture
Insurance	Savings towards future securities Life and health protection Properties protection
Wealth banking	Wealth banking Superior banking

TMB Open Architecture

TMB is considered as a first Thai bank that offer open architecture platform for all group of customers. The Bank set a long-term strategy to distribute under an open-architecture platform and offer a wide variety of mutual fund products in order to match various client needs and risk-return profiles. In 2019, TMB has strong 11 partners with leading asset management both domestic and international asset managements including TMB Asset Management Co, Ltd., UOB Asset Management (Thailand) Co., Ltd., Aberdeen Asset Management Co, Ltd., CIMB-Principal Co., Ltd., Manulife Asset Management Co., Ltd, TISCO Asset Management Co., Ltd, One Asset Management Co., Ltd, Kasikorn Asset Management Co., Ltd, Krungsri Asset Management Co., Ltd and Thanachart Asset Management Co., Ltd. This enables TMB to offer a broader range of products and asset classes that suit different risk profiles of the customers.

Bancassurance

TMB and FWD Life Insurance are business partners who jointly create innovative insurance products that meet the needs of TMB customers to enhance the stability and prosperity of customers' savings and give customers peace of mind to be able to live fully.

FWD Life Insurance Public Limited Company, a leading life insurer in Thailand and a member of Pacific Century Group (PCG) operates life insurance business by focusing on user-friendly technology and innovation. FWD Life Insurance offers a comprehensive range of products to fulfill the customers' needs throughout the different stages of their lives and also leverages technology to enhance E-Service for customers.

For Non-life insurance business, TMB offers insurance for loan collateral in association with non-life insurance companies. TMB also provides other non-life insurance products such as personal accident, health and motor insurance.

2.2 Market and Competition

2.2.1 Marketing policy for product and services in year 2019

In 2019, the Bank's business units consisted of 1) Wholesale Banking 2) SME Banking and 3) Retail Banking. The summary of each business unit's operation in 2019 is described as below.

1) Wholesale Banking Customers

In 2019, Wholesale Banking continuously expanded financial services for corporate customers especially key target industries such as Fast-moving consumer goods (FMCG), Construction and Automotive.

TMB successfully developed various digital-based transactional banking and supply chain solutions for target customer groups. For instance, we developed solutions for farmers which benefits our corporate clients with large agricultural contract farming as well as farmers.

We aim to deliver digital banking service to serve our customers' need. We successfully developed digital payment platform such as PromptPay, Bill Payment, PayAlert and Request-to-pay. We have also substantially grown number of on-line users and transactions among wholesale banking customers via TMB Business Click and TMB Business Touch, the Bank's digital channels. We adapt customer centric strategy and continue to develop our digital product features and solutions to suit our customers' sophisticated needs.

TMB became the first bank in Thailand to launch Multi-Currency Account (MCA) for exporters. It gives an unprecedented convenience to corporate customers to manage six currencies in a single bank account. Unique features of our MCA include foreign currency fund transfer, currency conversion and single view of e-statement, all via our "TMB Business Click" online banking system.

2). SME Banking

TMB SME continues to grow as a main transactional bank for our customers through simple & easy, need-based transactional and credit solutions via attractive customer value proposition and multiple channels including branch network, ATM, and digital channel known as TMB Business Touch. Our effort is well-rewarded, as seen from significant growth of TMB SME One Bank since 2018 and TMB Business Touch which has become the most admirable channel for transactional activity among TMB SME customers.

At the same time, TMB also provide superior experience. We adopted market industry information with in-dept customer data analysis for credit approval process resulting in prompt delivery of sufficient credit facilities to our customer, along with cooperation with Thai Credit Guarantee (TCG) to provide credit guarantee. These provide our SMEs can access to source of fund to grow their business. Moreover, TMB developed online service "Online Loan Request" which makes it easier for customers to access to source of fund.

TMB continued to leverage on new technologies to enhance our "TMB Biz Touch" features to provide better digital experience to our SME customers. We provide a more convenient ways includes Call Me Now. Our call centre "Call back within 5 minutes" of request submission sending business and credit needs via TMB Biz Touch or through our website to serve customers' need and business growth in digital era.

3) Retail Banking

Both make THE Difference brand philosophy and customer centricity continued to be the main reasons behind our growth. While we continued to remain focused in deposit-led strategy, 2019 was a pivotal year for us as we continued our commitment to understand more about our customers and both of their complex journeys and behaviors in this rapid-changing world. We continued to put our core focus on and managed in a sustained effort in driving the quality main bank status amongst new and existing customers. We continued enthusiastically in matching the needs of our customers through many of our need-based leading flagship products and services which include but not limited to TMB All Free – country's best transactional product which offers many great benefits at free of charge covering all-purpose one can possibly enjoy or use in a daily life whether it is banking transaction, personal accident protection, online guarantee purchase, or overseas travel, TMB Wave – wearable contactless payment device which helps customers maximize their convenience when making payments, TMB No Fixed – flexible savings which offers high rate and even higher when using TMB All Free regularly, TMB WOW – The Asian Banking & Finance Award Winner for Thailand's most disruptive loyalty program has also launched Pay with WOW earlier this year, the newest feature that allows customers to use WOW as real money through TMB All Free Debit Card, TMB TOUCH – our mobile banking app which allows customers to fulfill their financial needs upon clicks, TMB Advisory – a new wealth management service platform which offers complimentary consultations through personal financial advisors over interests of investment and protection as well as ME by TMB Group Products – high rate digital savings by ME Save, unlimited money transfer and transactional deposit by ME Move and life insurance by ME Sure. As of 2019, we are proud to have nearly 3 million retail customers who are currently active and consistently bank with us.

In addition, we made an official debut on 2 of our new Flagship Stores, locating at United Silom and Icon Siam. These new stores, equipped with many of state-of-the-art technologies to lift customer experience, were put to be a Prototype Branch Model, boasting both a new way of digitized banking and omni-channel. Upon store entry, visitors are personally greeted by navigators and directed to explore the avatars of their own (personal identity) based on their profiles, financial likes and needs. Upon finding out the avatars, they are then connected to and matched with the solutions or offerings that are specifically designed for them. The introduction of our new Flagship Stores significantly supports our visionary digital banking and commitment to offer relevant products and services through omni-channel customer experience.

2.2.2 Distribution channel and network

1) Branches and Business Centers

Domestic branches	401 branches nation-wide including 1 ME branch
Overseas Branches	Cayman Islands branch, Cayman Islands branch Vientiane branch, Lao P.D.R.
SME Zone Offices	45 zone offices for Small Enterprise 35 zone offices for business banking

Foreign Currency Exchange Service	1 Booth at HQ
ME by TMB	1 ME branches

Information as of December 31, 2019

For details and latest information of branches and business hours, please visit www.tmbbank.com or contact 1558

2) Electronic Channels

ATMs and AMDs

As of December 31, 2019, Bank will have total 2,025 ATM, 710 ADM and 58 All in one machine nationwide with total of 2,793 machines. The Bank relocated ATM 235 machines. The bank is also work in collaboration with ATM white labeling project with Bank of Thailand and continue to do in year 2020.

Merchant Acquiring Business

TMB's merchant acquiring business enables merchants to accept credit cards and debit cards (VISA credit card, MasterCard Credit card and VISA Electron) for payment from its customers. The services offered are as follows.

1. Card Acceptance at Point of Sale: Cardholders make payment for purchase of goods and services by credit card and/or debit card via Electronic Data Capture (EDC).
2. Secured Payment Link: Cardholders make payment by inputting credit card information via secured payment link for example SMS, Email, Line, etc sent to the cardholder.
3. Recurring: This service allows for recurring payment for such services as telephone bills, electricity bills, membership fees, etc. on a monthly basis or per merchant billing cycle. Customer can sign up recurring service via merchants, and payments are executed when merchants submit payment authorization data to TMB for processing.
4. Payment Gateway: Consumers purchase online goods and services via merchant's own website with credit card and/or debit card. This service provides data security for both merchants and their cardholders with a secure standardized network firewall including a "Verified by VISA" system, "MasterCard Secure Code" system to ensure the highest level of protection for merchants in accepting orders from customers.
5. DCC (Dynamic Currency Conversion): A value-added service for card acceptance at the point of sale which enables the merchants customers to make payment in Thai Baht or via their home currency

3) Digital Channels

TMB Internet Banking	TMB provides the online banking in two platforms: Mobile Banking service through TMB TOUCH mobile application and Internet Banking service through the website www.tmbdirect.com The trends are clearly suggesting the immense increasing of services from mobile devices. TMB TOUCH users are accounted 99% from the whole digital channels customers. TMB has focused to improve the mobile digital banking experience on both convenient and security. Following is a list of the new features and functions developed in TMB TOUCH over the past year. - Opening investment ports both ordinary and the TMB Smart Port - Automatic Advanced Investment Plan
TMB Touch	- Buying Life insurance - Redeem WOW point as cash when using the TMB All Free card - Increasing daily limit for domestic transaction up to two million THB/day - Instant loan application without document submission (for selected customers) - International fund transfer - Bill payment/Top up paying from credit card - Save Alert Service – Sending reminders to other accounts to save money - Set up personalized Saving Goal in the No Fixed account - E-Mail verification before associating e-mail to account In addition, TMB was the first bank introducing the mobile banking application on the App Gallery of Huawei
ME by TMB	A purely digital banking service that empowers customer to manage financial transaction by themselves for higher returns. - In 2019, in addition to improving service quality and security for our electronic channels, ME by TMB also add new features such as Bill Payment, Top-up, and QR Code Transfer. ME also introduced a new Speed Savings 10/5 Life Insurance by FWD, where customers can purchase directly online.
TMB Business Click	TMB Business Click is an Internet Banking for corporate customers. It provides board range of banking services across cash management, international trade transactional services, Foreign Exchange Service and Supply Chain Financing. The service enables online self-service banking transaction 24 hours a day with comprehensive transaction information. Estimated to complete within quarter 1 of this year, the launch of E-Onboarding platform is expected to help increase the customer base and adapt to customers' digital lifestyle.

TMB BizTouch	TMB BIZTOUCH is mobile device application for corporate customers which offers mobile banking service through smart phone and tablet devices both iOS and Android operating system. the objective for TMB BIZTOUCH is to be more than a platform to perform financial transactions, but increasing the application's capabilities and empowering it to become a full-fledged mobile bank.
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4) Phone Banking

Contact Center	1558 International call : +66 2299 1558
TMB SME	0-2828-2828
Corporate Call Center	02-643-7000 Service hours: 8.00 -18.00 on working days

2.2.3 Banking Industry and Trends

1) Performance of Commercial banks in 2019

Commercial banks had weaker growth as loan expansion deaccelerated from the slowdown economy. Credit expanded at a slower pace than deposits. This caused L/D ratio to decrease from 98.3% to 96.5%. Liquidity in Thai banking system at year-end stood at THB 3.8 trillion, growing from THB 3.4 trillion from the same period last year. Total assets of domestically registered commercial banks rose 6.2% to THB 18.4 trillion.

Commercial banks' total loans in 2019, stood at THB 13.5 trillion, expanding by 2%. Consumer loans in all portfolios, although growing at slower rates, are main contributors. Large corporate loan growth contracted at 1.5% due to global economic slowdown and debt repayment, mostly in services, commerce, and manufacturing. Overall Small and Medium Enterprises' (SME) loan contracted 0.3%.

MLR of the five largest commercial banks were averaged at 6.08% at the end of 2019, dropping from the previous year from rate cuts in which BOT lowered the policy rate from 1.75% to 1.25% at the end of December 2019. Commercial banks lowered their lending rates to mitigate the interest burden of their customers especially for SMEs, who were impacted the most from the slowdown. As a result, the spread between MLR and 12-month time deposit rate dropped to 478 basis points.

In 2019, commercial banks' deposits grew 4.2% from last year to THB 14.3 trillion mainly from time deposits. Consequently, the share of current and saving deposits was reduced to 60% from 63% of total deposit last year. Five largest banks' average time deposit interest rates dropped following decreases in the policy rate, while the average current and saving deposit interest rates remained stable.

Total NPLs (gross NPLs) of commercial banks as of December 2019 increased from THB 443 billion to THB 465 billion from the same period last year. NPL ratio increased by 4 basis point and remained elevated at 2.98%. It was largely driven by NPLs from SMEs loans, especially in manufacturing and commerce businesses as a result of global

economic slowdown. Retail's NPL ratio rose to 2.9%. The largest increase was from mortgage and hire purchase loans due to lower debt repayment power affected by the economic slowdown.

The net profit of commercial banks registered in Thailand stood at THB 254 billion in 2019, increased by THB 61 billion or 52% from last year due to gains from investments. Interest income increased 4.7% from loan expansion. Fee and service income declined slightly by 1% from money transfer and commission fees.

Thai Commercial Banks' Assets, Deposits, and Net Loans (After Loan Loss Provision)

Bank	Assets		Deposits		Net Loans	
	Amount (Billion Baht)	Share (%)	Amount (Billion Baht)	Share (%)	Amount (Billion Baht)	Share (%)
Bangkok Bank	3,123	17%	2,316	18%	1,833	15%
The Siam Commercial Bank	2,952	16%	2,156	16%	1,995	17%
Krung Thai Bank	2,908	16%	2,158	16%	1,880	16%
Kasikornbank	2,724	15%	2,066	16%	1,827	15%
Bank of Ayudhya	2,235	12%	1,559	12%	1,610	13%
Total 5 large banks	13,943	76%	10,255	78%	9,145	76%
Thanachart Bank	1,000	5%	735	6%	694	6%
TMB Bank	1,045	6%	664	5%	646	5%
United Overseas Bank (Thai)	566	3%	456	3%	404	3%
Total 3 medium banks	2,611	14%	1,855	14%	1,744	14%
CIMB Thai	385	2%	199	2%	222	2%
TISCO Bank	285	2%	218	2%	229	2%
Kiatnakin Bank	299	2%	173	1.3%	230	2%
Land and Houses Bank	231	1%	165	1.3%	152	1%
Standard Chartered Bank (Thai)	142	1%	62	0.5%	28	0.2%
Industrial and Commercial Bank of China (Thai)	216	1%	130	1.0%	110	0.9%
Total 6 small banks	1,558	8%	947	7%	970	8%
Bank of China (Thai)	70	0.4%	47	0.4%	46	0.4%
The Thai Credit Retail Bank	57	0.3%	47	0.4%	48	0.4%
Sumitomo Mitsui Trust Bank (Thai)	82	0.4%	19	0.1%	52	0.4%
ANZ (Thai)	32	0.2%	7	0.1%	18	0.1%
Mega International Commercial Bank	26	0.1%	13	0.1%	20	0.2%
Total	18,379	100%	13,191	100.0%	12,044	100%

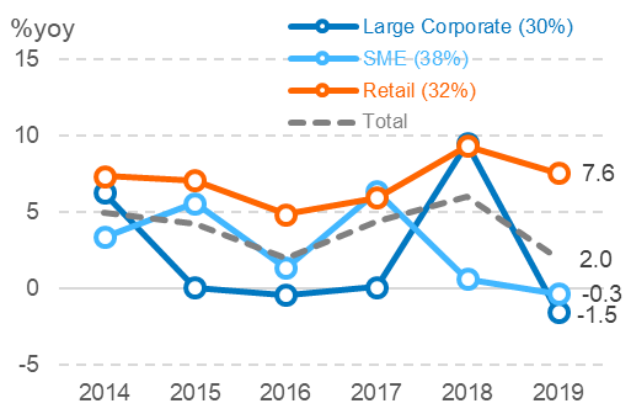
Source: Bank of Thailand (as of December 2019)

Performance Summary:

- Loans

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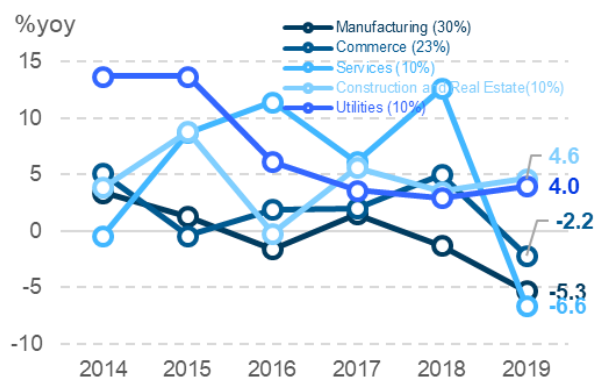
Loan Growth by Customer Type



*() represents %share to total loans

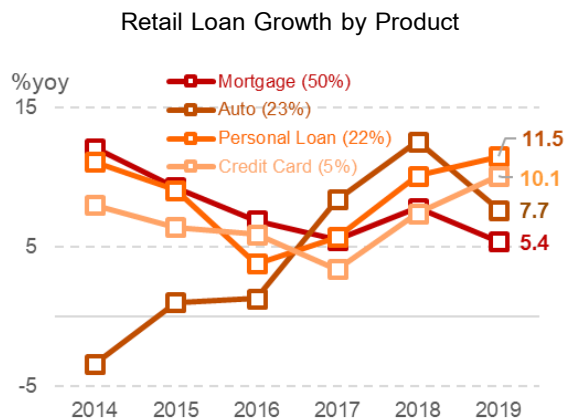
Source: Bank of Thailand

Business Loan Growth by Industry



*() represents %share to business loans

Source: Bank of Thailand

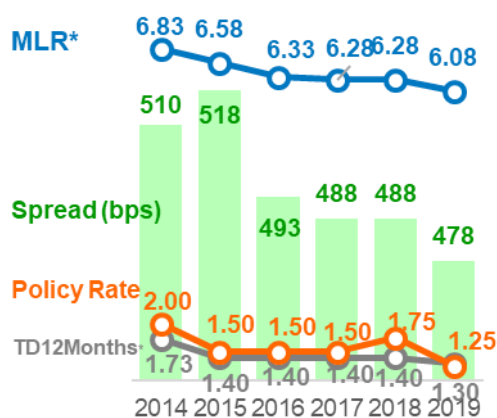


*() represents %share to retail loans

Source: Bank of Thailand

MLR of the five largest commercial banks were averaged at 6.08% at the end of 2019, dropping from the previous year from rate cuts in which BOT lowered the policy rate from 1.75% to 1.25% at the end of December 2019. Commercial banks lowered their lending rates to mitigate the interest burden of their customers especially for SMEs, who were impacted the most from the slowdown. As a result, the spread between MLR and 12-month time deposit rate dropped to 478 basis points.

Interest Rate Movement and Spread



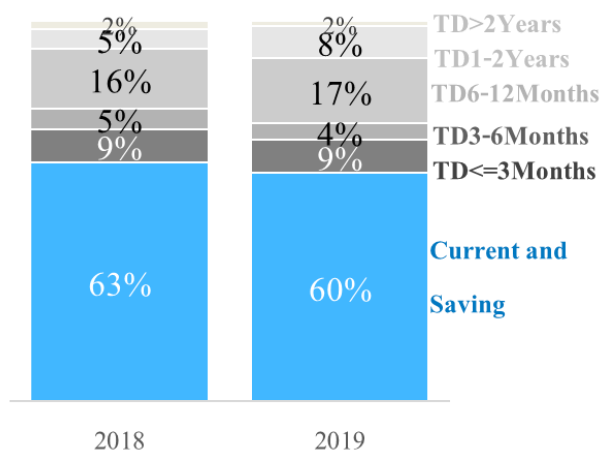
*Average from 5 largest commercial banks' rates

Source: CEIC

• Deposits

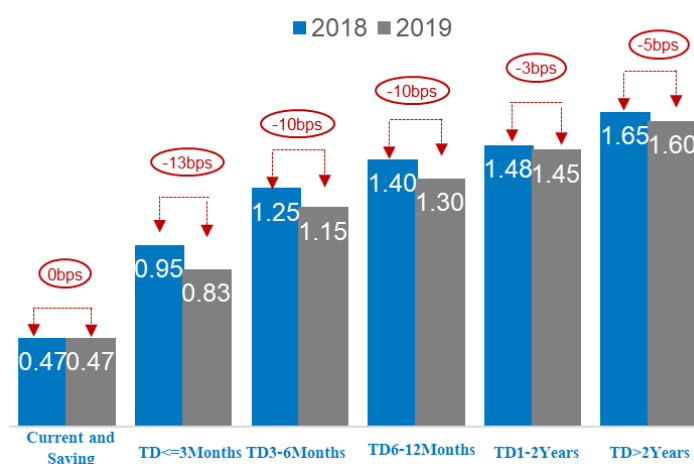
In 2019, commercial banks' deposits grew 4.2% from last year to THB 14.3 trillion mainly from time deposits. Consequently, the share of current and saving deposits was reduced to 60% from 63% of total deposit last year. Five largest banks' average time deposit interest rates dropped following decreases in the policy rate, while the average current and saving deposit interest rates remained stable.

Composition of Deposits by Maturity



Source: Bank of Thailand

Average Deposit Rates by Maturity

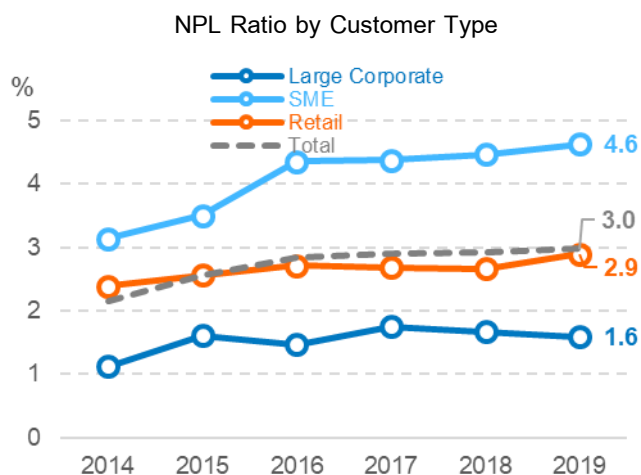


*Average from 5 largest commercial banks' rates

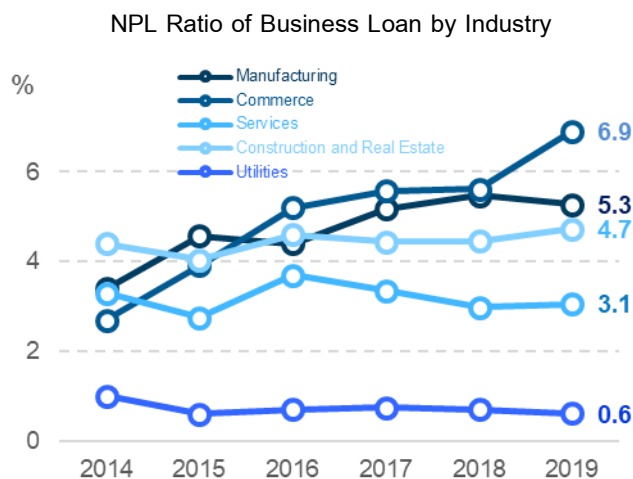
Source: CEIC

- Non-performing loans (NPLs)

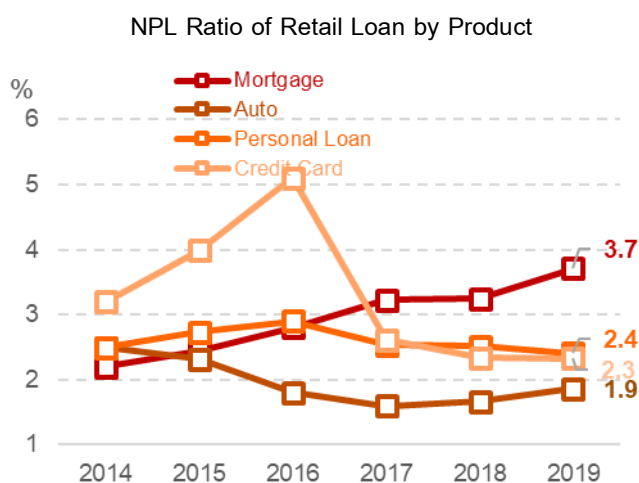
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Source: Bank of Thailand



Source: Bank of Thailand



Source: Bank of Thailand

● Performances

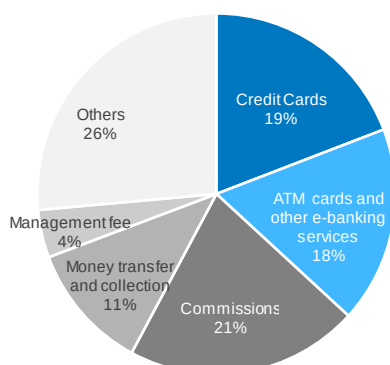
The net profit of commercial banks registered in Thailand stood at THB 254 billion in 2019, increased by THB 61 billion or 32% from last year due to gains from investments. Interest income increased 4.7% from loan expansion. Fee and service income declined slightly by 1% from money transfer and commission fees.

Performances of Commercial Banks Registered in Thailand

Income-Expense (Billion Baht)	2019	2018	Change (%)	
Interest income	713	681	+32	+4.7%
Interest expenses	233	218	+14	+7%
Net interest income	481	463	+18	+4%
Fees and service income	192	189	+3	+1%
Fees and service expenses	52	48	+4	+8%
Net fees and service income	140	142	-1	-1%
Gains on tradings and forex	39	38	+0	+1%
Gains on investment	122	18	+105	+596%
Gains on fair value	-3	-1	-2	-266%
Others operation incomes	47	46	+1	+3%
Net non-interest income	346	243	+103	+43%
Other operation expenses	358	330	+28	+8%
Operating profit	469	376	+93	+25%
Impairment loss of loans and debt securities	159	146	+14	+9%
Profit before income tax	310	230	+80	+35%
Tax	56	38	+18	+48%
Net profit	254	192	+61	+32%

Source: Bank of Thailand

Composition of Fees and Services Income in 2019



Source: Bank of Thailand

2) Trend of Commercial Banks in 2020

● Loan and Deposit Trend

The commercial banking industry in 2020 is expected to decline in line with decelerating economic growth. This is due to lower private consumption which is attributed to severe drought, tepid growth in private investment because of production decline and prolonged public investment spending, as well as weaker tourism which is negatively affected by the outbreak of COVID-19. The widespread outbreak moreover pose an adverse impact on tourist-related services, wholesale and retails as well as the export-oriented productions being a part of supply chain of those affected countries.

Corporate loan tends to grow in alignment with demands for working capital, particularly those in construction sector who need capital for public-related infrastructure project. Loan for SMEs however decelerate from the previous year, though with continuing demands for working capital the same as corporates. This is because weaker credit quality causes the bank to be more cautious in loan approval especially for those SMEs, which are normally affected by declined household income and decelerate economic growth with greater impact degree than corporate.

Consumer loan, credit card and personal loan are estimated to be lower this year. Even though with continuing households' demands for liquidity during declining income, the credit standard however is tightened amid concerns over households' debt serviceability. In addition, the growth of mortgage loan and car loan decelerate after a sharp rise in previous year.

Deposits are likely to decelerate partly because of income declining in line with economic conditions and changes in financial management plans of those depositors to give more weight on financial products with higher returns than term deposit which offers lower interest rate particularly after policy rate cuts at the end of 2019. Additionally the decline in loan growth together with prevailing high liquidity will not lead to intense deposit competition.

● Ongoing challenges in banking business in 2020

1. Digital Banking

Banks will continue investment in digital infrastructure since it helps reducing operating costs and providing greater opportunity of wider customer reach. Moreover, big data extracted from digital platform can be applied for business's strategic planning, creating new products that can satisfy customer's needs with prompt response as well as enhancing more efficiency in risk management. The recent introduction of banking API (Application Programming Interface) , the digital platform connecting two separate online application, does help encouraging the system developers to create, develop and test new financial products and services on online portal together with the bank. This is for example, the connection of online insurance service portal to the bank's online application does offer the customers of both the insurance company and the bank to achieve insurance services more easily, and for the service providers to be able to reach a wider customer base. The banking API thus greater enhance building ecosystem of the digital economy.

2. National Digital ID (NDID) platform

National Digital ID is a new online cross-bank identity verification which offers a new choice that the customers do not have to present him/herself right at the bank. In other way, they can however request the original bank, which their

identification process with the bank had been already once done, to send the identification data to a new bank instead (Authentication). This will significantly cut the numbers of related documents and redundant working process, especially between the banks. Accordingly, it will reduce operating cost and provide more convenient financial services for people and businesses in a timely manner and with global-standard safety. This thus helps enhancing the ease of doing business in Thailand in another way. In the first phase, the verification platform will be applied only in opening bank accounts and loan approval. Later, in the second phase, it is expected to be wider used in opening portfolio account, mutual fund and insurance services for those foreigners as well as corporate.

3. E-Marketplace Platform

Commercial banks and financial institutions are prone to expand their roles as online platform service providers, whose the platform will be a place for exchanging goods and services as well as full digital payment service (e-Marketplace Platform). This is in order to respond to the change in customers' behaviors in online-shopping. The BOT has already approved the guideline for the bank and financial institutions engaging in e-marketplace since 2019.

4. National e-Payment

National e-payment is a national agenda so as to promote standardized and modern electronic payment system that will help cutting transaction costs in the economy. Thai commercial banks are therefore expected to continue promoting Prompt Payment (PromptPay) services, EDC usage and expanding QR code payment. In most recent period, Thai government has already utilized more e-Payment platform for tax rebating and cash transferring in welfare scheme for Thais through Prompt Payment system. Moreover, the stock exchange of Thailand has introduced the initiated payment system for capital market, supporting the payments in security transactions between investors and asset management firms. This can satisfy the condition that the original account and the destination one are in different bank as well as help reducing the systemic risk in payment system. In longer run, there will be further service launched for wider ranges of transactions such as dividend payment for stockholders and security orders payment in mutual fund.

5. Fintech

Fund raising through venture capital supports the setups of Fintech firms, which their figures have rose sharply with the capacity of wider service offering ranging from money transfer, payment, investment to insurance services. Incorporating new technology, this enable banks to satisfy their customers' financial service needs with new products in a more timely manner. Looking forwards, the cooperation between bank and Fintech firms will accordingly be prominent. This would result in bringing together the strength of bank in wide customers base and Fintech firm in advance technology capacity to offer better financial services for customers with more efficiency.

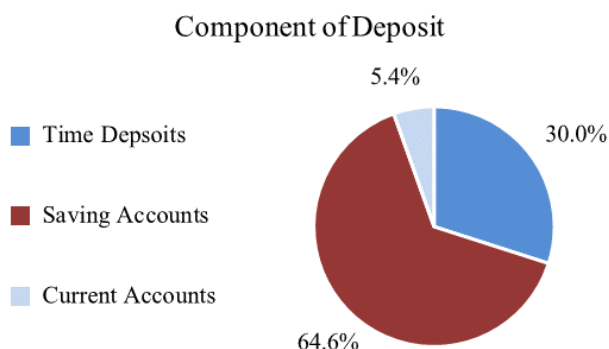
6. Regional Partnership

Partnership building among ASEAN banks through the establishment of QABs (Qualified ASEAN Banks) along with the guideline of financial services liberalization will help reducing obstacles for Thai commercial banks in doing business in the region and for those Thai business sectors to gain more easy access in trade and investment within the region.

2.3 Source of funds

2.3.1 Sources of funds

Major sources of funds for TMB are deposits, interbank and money market items and borrowings. As of December 31, 2019, TMB had total deposits (Consolidated) of THB 1,398,112 million, where time deposits represented 30.0%, 64.6% for savings account and 5.4% for current account.



Besides total deposits represented 87.7% of total funds, the Bank recorded interbank and money market items of THB 86,626 million and borrowings of THB 108,835 million, or 5.4% and 6.8% of total funds respectively.

TMB's sources of funds during the specified period are as follows:

(Consolidated)	As of December 31					
	2019		2018		2017	
	Amount (THB million)	As % of total fund	Amount (THB million)	As % of total fund	Amount (THB million)	As % of total fund
Time Deposits	418,819	26.3	75,178	10.0	82,890	11.8
Saving Accounts	903,198	56.7	515,908	68.9	475,507	67.4
Current Accounts	76,095	4.8	58,482	7.8	53,033	7.5
<i>Total deposits</i>	<i>1,398,112</i>	<i>87.7</i>	<i>649,568</i>	<i>86.7</i>	<i>611,430</i>	<i>86.7</i>
Interbank and money market items	86,626	5.4	64,267	8.6	60,349	8.6
Borrowings	108,835	6.8	35,124	4.7	33,352	4.7
<i>Total Borrowings</i>	<i>195,461</i>	<i>12.3</i>	<i>99,391</i>	<i>13.3</i>	<i>93,701</i>	<i>13.3</i>
Total Funding	1,593,573	100.0	748,959	100.0	705,130	100.0

2.3.2 Policy on funding and pricing

TMB has a policy to raise funds from the sources mentioned above with the amount and tenor to meet its requirements. Other factors taken into account are proper liquidity for the Bank's operation and acceptable funding costs when comparing among various sources. Meanwhile, suitable deposit interest rates are determined based on liquidity in the money

market and of the Bank itself, together with external factors such as interest rate trends, the BOT's monetary policy, market competition, economic trends, etc.

2.3.3 Policy on liability management

The Bank manages its short- term and long-term liabilities both in Thai baht and foreign currencies to match with the asset or clients' demand for loans. In order to hedge both interest rate and FX risks, various financial instruments such as FX swap, Interest rate swap and cross currency swap are applied to manage the above liabilities efficiently, which constitutes the alignment of the Bank's cash inflow and outflow.

2.3.4 Capital Adequacy

The Bank's capital adequacy ratios consisted of the following:

(Unit: percentage)

	The BoT's regulation minimum			
<u>Capital ratio</u> (under Basel III framework)	<u>requirement *</u>	<u>31 Dec 19</u>	<u>31 Dec 18</u>	<u>31 Dec 17</u>
Common Equity Tier 1 Capital Ratio/Total				
Risk-Weighted Asset	11.0	18.95	17.31	17.44
Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.5	14.62	13.53	13.27
Capital Adequacy Ratio/Total Risk-Weighted				
Asset	7.0	13.62	13.53	13.27

* Includes capital conservation buffer as required by the BoT commencing 1 January 2016.

3. Risk management & Key risk factors

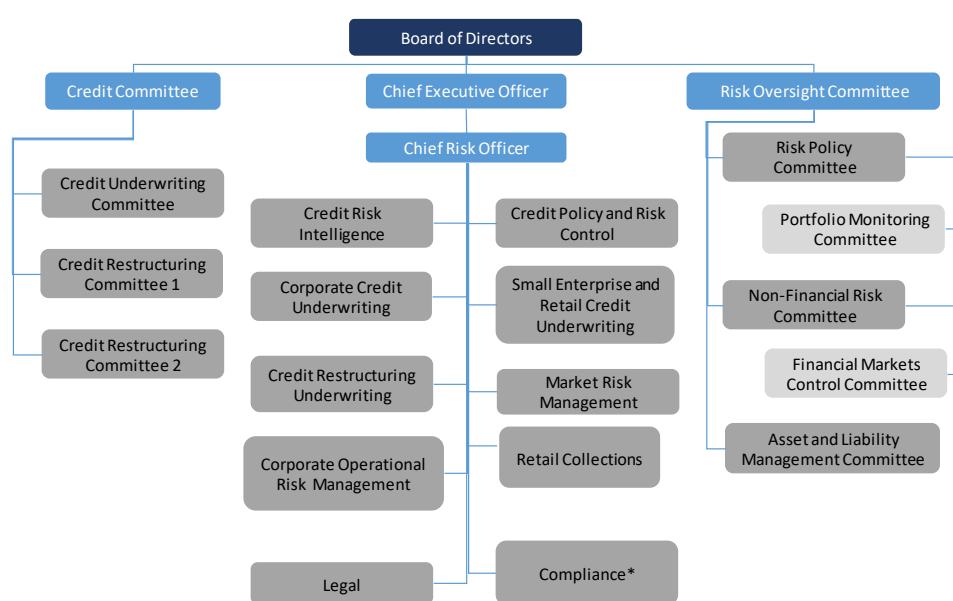
3.1 Overview of TMB's risk management

In TMB, risk management is of primary importance in order to create shareholder value by ensuring a sustainable balance between risk and return while maintaining compliance with regulatory requirements. The general Risk Management Framework consists of a clear Governance Structure, a consistent Risk Management Process and embedding a Risk Culture in the first Line of Defense. Moreover, Risk measurement is fully integrated in the strategic planning. All of this translates into a straightforward Risk Management strategy in which:

- Products & portfolios are structured, underwritten, priced, approved and managed appropriately;
- Compliance with internal and external regulations and guidelines is monitored continuously;
- Our risk profile and risk appetite are transparent and consistent;
- Delegated authorities are consistent with the Bank's overall strategy and risk appetite;
- Communication to internal and external stakeholders on risk management and value creation is transparent.

3.1.1 Risk Governance Structure

TMB maintains a risk governance structure that is intended to strengthen risk management while ensuring that risk-taking authorities are cascaded down from the Board to the appropriate committees and functional levels. Risk issues and the changing regulatory and business environment are managed in an efficient and effective manner. Moreover, to maintain the independence of the compliance function, Compliance has a dual reporting line to the Audit Committee and Chief Risk Officer.



*Also report directly to Audit Committee

The Board of Directors (BOD) holds ultimate responsibility of bank-wide risk management. The Risk Oversight Committee (ROC) has been delegated by the Board of Directors to review and oversee the management of risks across

the Bank and is authorized to approve certain parts of Bank's risk management strategies, policies, frameworks and standards, as well as aggregate risk tolerance and risk concentration levels. However, Business Units as the 1st Line of Defense are primarily responsible for managing risks within their responsible portfolio, several risk committees provide forums to discuss and decide about specific risk areas:

1. **The Risk Policy Committee:** assist the ROC in fulfilling its oversight of internal policies, frameworks, standards, risk appetite targets , as well as issues related to credit risk management.
2. **The Portfolio Monitoring Committees** serve as a discussion forum for Business functions and Risk functions with a primary focus on credit portfolio monitoring to ensure appropriate proactive credit portfolio management and alignment with business strategy.
3. **The Bank Non-Financial Risk Management Committee and IT Non-Financial Risk Management Committee:** manage the Non-Financial risks and IT risks of the Bank and its subsidiaries by establishing the Non-Financial Risk strategy and policies and oversee to ensure that they are implemented effectively at all levels of granularity. To emphasize the effectiveness of the "Three Lines of Defense" risk governance model, the bank set up 3 Business Unit Non-Financial Risk Committees for Retail, SE and Wholesale Banking, reporting to Bank Non-Financial Risk Committee .
4. **The Financial Markets Control Committee:** serve as a cross-functional forum for business, operations, information technology and risk management functions with a primary focus on business practices, risk and control environment and end-to-end value chain of the Bank's Financial Markets undertakings and its product approval and review.
5. **The Asset and Liability Management Committee:** assist the ROC in all matters related to the asset and liability management and balance sheet management.

All the risk management related functions are under the leadership of the Chief Risk Officer (CRO). The CRO, as a member of the Bank's Chiefs Executive Committee (CEC) and reporting directly to the Chief Executive Officer, oversees and promotes the development and implementation of consistent bank-wide risk management.

The ROC Dashboard combines key insights from all risk areas into one to ensure that ROC can perform its activities. It measures the soundness of risk environment and culture.

3.1.2 Risk Management Process

Risk Management in TMB consists of 4 key risk management processes:

- 1) **Risk Identification:** TMB classifies risks which are arising in daily business activities into 6 key risk areas: Credit Risk, Market Risk (including but not limit to Foreign Exchange Risk and Interest Rate Risk), Liquidity Risk, Non-Financial Risk, Strategic Risk and Reputational Risk.

2) **Risk Assessment & Measurement:** TMB uses different methods and tools to measure various risk types in both quantitative and qualitative measures. In addition, TMB also conducts Stress Testing to measure quality and resilience of the Bank's portfolio and the Bank's tolerance to stress event scenarios.

3) **Risk Monitoring and Control:** TMB controls, mitigates and monitors risks by setting key risk indicators, as well as risk appetite at the bank-wide level, portfolio level, product level, and other levels as may be appropriate.

4) **Risk Reporting & Communication:** Status of various risk types as well as actions taken / to be taken are reported to relevant parties / committees and top management on a regular basis. The risk reports cover product level, portfolio level, functional level, and the bank-wide level.

Three lines of Defense:

Over the last years, TMB has invested significantly in further strengthening a risk management culture where all employees in the Business units (the 1st line of defense) identify risks, consider the impact, report if necessary and apply appropriate risk mitigation strategies. Investments include training, tooling, processes and policies. Risk Management units under the Chief Risk Officer perform the 2nd line of defense duties of formulating risk strategy, policies and appropriate risk structures, provide oversight and monitors the 1st line of defense and actively challenges the risk – return trade-off in the Business units. Internal audit as the 3rd line of defense provides independent and objective assurance on the effectiveness of controls and recommends improvements to the governance, risk & control framework.

3.2 Key Risk Factors

Key risk factors that could arise from the Bank's business operation are as follows.

3.2.1 Credit Risk

Credit risk is the risk of potential loss to TMB as a result of borrowers and/or counterparties failing to meet their financial and contractual obligations in accordance with agreed terms. It arises principally from granting loans and undertaking contingent liabilities, and also from certain off-balance sheet products such as guarantees and credit derivatives.

TMB's credit risk management objective is to maximize the Bank's risk-adjusted return by maintaining credit risk exposure within acceptable levels and build a sustainable competitive advantage by integrating risk management into business activities and strategic planning.

In recent years, TMB has improved and continues to improve its credit risk management capabilities with investments in people, risk management governance, processes, measurement tools and systems including the development of an economic capital framework, improved risk measurement processes, credit assessment & origination and tools, such as risk rating models, application- behavioral-, and collection scorecards, and established frameworks which set out credit policies, procedures, and guidelines covering the measurement and management of credit risk. This has been achieved while further building a stronger credit culture within TMB, based on thorough knowledge of our

borrowers and executed by well-trained staff according to our 3 lines of defense risk management framework. The 3 lines of defense principle helps us to mitigate credit risk within TMB and consists of 3 principles:

- Management and staffs of TMB Bank business units have primary responsibility and accountability for the effective control of credit risks incurred by their business units (“1st line of defense”).
- Credit Risk Management (“2nd line of defense”) supports the 1st line of defense’s risk management activities. Risk management functions are independent of the management and staff that originate the credit risk exposures.
- Audit operates as the “3rd line of defense”. Audit is to provide an independent assurance of the design and effectiveness of internal controls over the credit risks inherent to TMB’s business performance.

3.2.1.1 Credit Risk Factors

- **Credit quality**

Further improving the quality of TMB’s assets remains a key priority. Non-Performing Loans (NPL) arises when debtors fail to repay debts according to an agreed schedule. This may lead to loss of interest income but sometimes also of the principal balance, whether in whole or in part, which thereby will affect TMB’s profitability and capital adequacy.

TMB manages the quality of its credit portfolios by monitoring and reviewing status of our borrowers and/or counterparties constantly, both at individual level and at portfolio level. Also, here the 3 lines of defense approach is applicable: dedicated Relationship Managers monitor their Wholesale and SE Customers at an individual level. For our Retail portfolio, the focus is on portfolio management supported by credit risk data and analytics teams. Special attention is paid to problem exposures, which are subject to more frequent reviews and reporting. Early warning triggers, Qualitative Risk Score, and Behavior Risk Level are in place to detect customers that may be moving toward adverse classification or further deterioration of their performance. Dedicated Credit Restructuring teams and Credit Restructuring Committees are established to restructure problem loans in an effective manner and to provide advice on debt restructuring conditions. TMB sets aside loan loss provision in accordance with guidelines from the Bank of Thailand (BOT). TMB also provides IBNR provisions (loss incurred but not yet recognized) for performing loans as a further cushion for losses expected as a result of future events. IBNR provisioning is calculated using PD (probability of default) based on risk level, EAD (exposure at default) based on loan types or debtor types, and LGD (loss given default) based on collateral types.

The bank’s Risk Appetite Statement (RAS) expresses the type and level of Risk that the bank is willing to tolerate in pursuit of its strategic objectives. RAS aims to ensure that the Bank’s actual risk exposure is consistent with its strategic objectives and that exposure moving beyond tolerance risk levels is timely identified and acted upon. The RAS is determined based on consideration of TMB Bank’s financial plan. The RAS contains a set of qualitative and quantitative statements which are measured and reported on a monthly basis towards ROC and Chiefs Executive Committee. This RAS also forms the basis of the monthly Portfolio Monitoring Committees in order to timely address possible boundary breaches.

- **Impairment in value of physical collateral**

A substantial portion of TMB's loan portfolio is secured by physical collateral and other assets, the value of which may be affected by the overall economic conditions of Thailand. For example, a downturn in the real estate market could result in the principal amount of loans secured by real estate exceeding the loan-to-value proportion compared to that at the time of origination. A decline in the value of collaterals securing loans may result in an increase in the Bank's allowance for doubtful accounts. TMB manages collateral value impairment risk by establishing a collateral appraisal policy and executing procedures which are in accordance with BOT's regulations. The reappraisal frequency is also driven by the level of risk measured by the borrower's loan performance.

- **Credit concentration**

Concentration risk in credit portfolios is an important aspect of credit risk management. TMB manages and monitors credit concentration with respect to industries, countries and borrowers by establishing and managing Bank-wide industry diversification thresholds, country limits and customer concentration to manage both existing and potential exposures within acceptable levels to ensure appropriate diversification of the portfolio and avoid excessive credit risk exposure in certain industries, countries or borrowing groups. In addition, TMB has established a risk-based Single Exposure Limit and Single Lending Limit to manage the maximum exposure and the maximum limit for single obligor and related lending. Managing concentration risk remains a major focus in TMB's Credit Risk Management prioritization.

3.2.1.2 Credit-Related Policy

1) Classification and provisioning policies

The Bank has conducted the loan classification and provisioning, including qualitative classification, in line with the BOT's notification regarding worthless or irrecoverable assets and doubtful assets which may be worthless or irrecoverable by commercial banks. Commercial loans are classified by debtors, whereas consumer or retail loans by accounts based on delinquent period. If customers use both types of credits, the loans are classified by debtors based on their main income source so as to truly exhibit the asset quality and make sufficient provisioning. Moreover, in addition to provision made according to the above mentioned BOT's notification, the Bank sets aside additional provisions by a collective approach for debtors classified as Pass (P) and Special Mention (SM) for each credit rating according to the Bank's policy.

2) Policy on provision for off-balance sheet items

TMB estimates the liabilities arising from off-balance sheet items on a quarterly basis to make appropriate provision in line with the BOT's notification regarding Classification and Provision of the Financial Institutions as follows:

1. Provisions for off-balance sheet items with high credit risk are made by using a BoT-specified credit conversion factor of 1.0 for capital adequacy calculation.

- 1.1 In case the off-balance sheet obligations of a debtor are classified, according to the BoT's guidelines, as sub-standard, doubtful, doubtful of loss, and loss assets, the Bank must set aside provisions at the same rate as the provisioning rate of the same debtor in the balance sheet.

1.2 In case the off-balance sheet obligations of a debtor are classified as special mention and normal assets, the Bank sets aside provisions based on the amount of estimated potential loss by using the collective approach.

2. For off-balance sheet items with a credit conversion factor less than 1.0 and classified as Pass (P) and Special Mention (SM) assets, the Bank also sets provisions by the collective approach.

3. For liabilities other than those in 1 and 2 above, the provision is made only for the contingent liabilities that are very likely to become a loss.

In addition to regulatory provision, TMB also set asides IBNR provision for off-balance sheet items on behalf of customers classified as Pass (P) and Special Mention (SM) to provide a further cushion for expected losses as a result of future events.

3) Non-Performing Loan (NPL) and Potential Impaired Loan (PIL) Management

The Bank is aware that the management of the Non-Performing Loan (NPL) and Potential Impaired Loans (PIL) will impact to the overall bank performance. To ensure prudence, the Bank set up a Special Advisory Banking Services (SABS) team (the 1st line of Defense) which together with the Credit Restructuring Underwriting (the 2nd line of Defense) work together towards the objective of SABS to prevent the NPL based on the principle of proactive advisory and fast track measures to restructure underperforming loans and convert to normal loan, with the objective of Credit Underwriting to ensure quality of debt restructuring at all stages and accuracy of loan classification. SABS will take care of debtors who start to be delinquent on the term loans and fall in "Early Warning Sign (EWS)" or having significant deterioration in risk profile. Especially, the debtors who are classified as Special Mention (SM) require close monitoring. To be more efficient, SABS Manager will co-ordinate/negotiate with debtors to identify debtors' problems and to set appropriate solutions based on nature of the problem. For example, in case of short term liquidity problem, the bank may consider term extension, restructuring loan facility, and etc. In case of long term problem such as higher competition or lower sale, the bank may consider long-term restructuring (troubled debt restructuring, TDR) based on debt service ability.

To comply with the policy, Documentation Team and Legal & Strategy Team will co-ordinate with SABS team to prepare any document or agreements to be guideline of such measurement. To monitor the implementation, the Monitoring Team will closely follow up all actions relating to contracts by working along with SABS to ensure that the risk is controlled until the accounts are converted back to normal.

For NPL, to set the Debt Restructuring Plans which comply with the Bank's Policies and Regulations, all Credit Restructuring Teams will work with Legal Strategy Team to set appropriate plan before negotiating with Debtors, However, in order to have effective reduction of NPL, the Bank may consider selling or writing off NPLs that are not able to finalize Debt Restructuring Plans by groups or by cases.

3.2.2 Market Risk

Market risk is defined as the potential losses due to changes in the price of market parameters. The main parameters are interest rates, foreign exchange (FX) rates, equity and commodity prices. For risk management purposes, the Bank has established various market risk policies, which set standards and guidelines for market risk management.

The business units designated with the responsibility for market risk management accomplish this task under the standards set in the policies, while Market Risk Management independently monitors the bank-wide market risk.

The Bank controls the actual market risk exposures by setting limits within the Bank's risk appetite approved by the Board of Directors. The significant market risks are as follows:

3.2.2.1 Foreign Exchange Risk

Foreign Exchange Risk means the potential losses of earnings and/or shareholder value of the Bank resulting from changes in foreign exchange rates arising from exposures in, both on- and off-balance-sheet, the Trading and/or Banking Books. The losses may arise from the devaluation on the conversion of foreign currency positions, including losses from foreign exchange trading transactions, or translations from one currency to another.

The Bank's Capital Markets is responsible for managing foreign exchange positions of the Bank's Trading Book. In addition, Market Risk Management puts in place a framework of market risk management measures. These measures are designed to minimize the excessive risk from unfavorable changes in market conditions, which adversely affect the prices or returns on the Bank's trading portfolios related to foreign currencies, with strict limits on:

1. Delta: Defined as the rate of change of the option value with respect to changes in the price of underlying asset.
2. Gamma - Defined as the rate of change of the delta with respect to changes in the price of the underlying asset.
3. Vega - Defined as the rate of change of the option value with respect to the volatility of the underlying asset.

Within these limits, Capital Markets is responsible for trading and managing the portfolio and optimizing the return on the funds invested. Adherence to the limits is monitored by Market Risk Management.

3.2.2.2 Interest Rate Risk

Interest rate movements directly affect the Bank's earnings or economic value. Interest rate risk management is undertaken in accordance with the policy framework as approved by the Bank's Board of Directors, by establishing and monitoring various risk curbing limits such as Earnings-at-Risk limit, Economic Value of Equity. The ALCO is delegated by the Board of Directors to oversee the firm-wide structural interest rate risk to stay within the Bank's aggregated interest rate risk limit.

The Bank has adopted interest rate risk management measures to cushion the interest rate volatility, e.g. rebalancing of assets and liabilities or setting of a proper mismatch by considering external and internal factors including interest rate forecasted by TMB Analytics.

3.2.3 Liquidity Risk

Liquidity risk is the risk that the Bank fails to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds deemed adequate for its operations causing damage to the Bank. The Asset and Liability Management Committee (ALCO) is responsible for the oversight of liquidity management. The primary aim is to provide liquidity to the Bank in order to ensure that the liquidity position in both domestic and foreign currencies are sufficient for the Bank's normal operations as well as for any crisis that may arise and that the Bank's liquidity level is to exceed the minimum as required by Bank of Thailand (BoT) and comply with the

risk framework approved by the Risk Management Committee and the Board of Directors. The Bank reviews its liquidity management plan and strategy for a normal and critical situation at least once a year, or under special situation due to material changes that may impact the Bank's position. This is to ensure the alignment with the Bank's core policy, the organization structure, the regulations, and the ever-changing market condition. The Bank and each company in the Bank's financial group manage liquidity risk separately.

The Balance Sheet Management (BSM) is the unit of the Bank responsible for overall liquidity management and Capital Markets is responsible for day-to-day liquidity management. Balance Sheet Management is also responsible for liquidity risk measurement, and reporting the performance of the liquidity management to the ALCO. The Market Risk Management is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has a liquidity risk management policy, which is reviewed at least once a year, or when necessary, to ensure that it is appropriate with the prevailing environment.

In order to manage liquidity, the Bank continuously monitors its funding sources and access to capital markets. The Bank recognizes the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

Most of the Bank's funding was mainly from deposits. The Bank's ongoing quality deposit strategy seeks to further strengthen its financial position and operating results in order to boost depositors' and customers' confidence. Meanwhile, priority is also given to liquidity risk management by maintaining the level of liquid assets, keeping abreast of risk levels on a daily and monthly basis, setting risk indicators limits, and taking proactive steps to contain risks at an acceptable level. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, etc.

3.2.4 Non-Financial Risk

Non-Financial risk is defined as the risk of financial impact and non-financial impact e.g. legal or regulatory sanctions, or reputational damage due to inadequate or failing internal processes, people and systems, a failure to comply with laws, regulations and standards, or external incidents.

TMB adopts the Basic Indicator Approach (BIA) by using gross income as a proxy in the calculation of value equivalent to operational risk-weighted asset (RWA).

Non-Financial Risk Management at the Bank is managed through a governance structure where the Board of Directors holds the ultimate responsibility for bank-wide risk management. The Board has delegated several non-financial risk management related authorities to the Bank Non-Financial Risk Committee: BNFRM and IT Non-Financial Risk Committee: IT NFRC, chaired by the CEO, whose responsibilities are to manage the non-financial risks and IT risks of the Bank and its subsidiaries by establishing the Non-financial Risk strategy and policies and oversee to ensure that they are implemented effectively at all levels of granularity.

The bank has applied the "Three Lines of Defense" risk governance model aligning with COSO (the Committee of Sponsoring Organizations of the Treadway Commission). The bank set up 3 BU (Retail Banking, SE Banking and

Wholesale Banking) Non-Financial Risk Committees: BU NFRC, chaired by Business Chiefs, reporting to BNFRM, to emphasize the effectiveness of the "Three Lines of Defense" Model at lower level in the organization and enable the management from lower levels to steer the operational & compliance risk management in their Business Units.

Under "the Three Lines of Defense" principle, Business and Support Units (BU/SUs) as the 1st Line of Defense, are primarily responsible and accountable for their own operational risk management and control. Business Operational Risk Management (BORM) is the function under BU/SUs with joint reporting line to CORM.

The Bank has established a dedicated Corporate Operational Risk Management (CORM), as the 2nd Line of Defense, reporting to the CRO, to oversee specific non-financial risk management concerns which is processing risk, control risk, unauthorized activity risk, information (technology) risk, crisis management & business continuity / disaster recovery risk, fraud risk, personal & physical security risk, and workplace safety risk. CORM developed Non-financial Risk Management Policies to ensure that the non-financial risks are properly identified, assessed, monitored, reported, analyzed, and controlled in a systematic and consistent manner. The policies provide the foundation and common infrastructure for delivering, maintaining, and governing operational risk management.

Compliance is the 2nd Line of Defense, reporting to the CRO, to oversee Compliance risk, one of the non-financial risk management. Compliance developed the Compliance Policy to ensure that the Compliance risk are properly managed.

Legal and Financial Control are the 2nd Line of Defense, reporting to the CRO and CFO, respectively, oversee the legal risk and the financial control risk which are also under coverage of the non-financial risks.

Audit operates as the "3rd Line of Defense". Their mission is to provide an independent assurance of the design and effectiveness of internal controls established by the first (BU/SUs) and the second (CORM, Compliance, Legal, Financial Control) line of defense. In carrying out this work, Audit will provide specific recommendations for improving the governance and the risk & control framework.

The Bank used several tools and processes to manage the operational risk such as Risk & Control Self-Assessment (RCSA), Risk Appetite Statement (RAS), Key Risk Indicators (KRI), Incident Management, Action Tracking, Product and Service Approval Process (PSAP), Outsourcing Risk Management, Business Continuity Plan and Disaster Recovery Plan (BCP / DRP), and Key Control Testing (KCT).

RCSA is a process that helps to identify and assess key risks and controls as well as to determine the mitigating actions. The Bank has also established KRI's at corporate and business level to be a warning signal for all levels of management, enabling them to proactively manage and control their non-financial risks. Incident management is established to enable detection, resolution, analysis of non-financial risk incidents, as well as collection of loss data. This incident reporting and response process is key in order to facilitate management's insight in and awareness of the actual costs of non-financial risks, existing control weaknesses, and the Bank's specific risk profile. The Bank implements the GRC system as a tool for incident management and response and keeping track of the status of the actions which come from audit and non-audit findings to ensure that they are monitored and managed efficiently by all relevant parties.

The RAS is determined based on strategy, objectives and historical incident data. The RAS contains a set of quantitative and qualitative statements. The Quantitative statements are measurable and are informed by the strategic priorities of the organization. The Qualitative expressions of non-financial Risk Appetite describe the acceptable and unacceptable attitudes and behaviors of the organization as a whole. The process of measuring, monitoring and reporting of RAS are made through non-financial risk dashboard (NFRD) on an ongoing basis which aims to promote pro-active risk management response. In case the Bank moves towards or beyond the tolerance level, the responsible units will highlight the issue during NFRD reporting on the Bank Non- Financial Risk Committee (BNFRC), the Risk Oversight Committee (ROC), and the Board of Director (BOD), management and staff are expected to take actions to bring down to its tolerance level.

To ensure that products and services are offered in a safe and responsible manner, the Product and Service Approval Process (PSAP) is established to set guidelines for sign-off and approval of new products and services. This due diligence process ensures that the potential risks created by the new products and services are properly identified and addressed, and that the necessary infrastructure and controls are in place to support the new business.

The Bank has established its Outsourcing Risk Management Policy to set out the principles and standards for the effective identification of major risks created by outsourcing and management of such risks.

The Bank has established its Business Continuity Management (BCM) Policies and Standards to provide guidance and standards for all units to develop a Business Continuity Plan. The Business Continuity Management under Information Security Office (ISO) is set up to oversee the implementation of BCM Policies and Standards, monitor and lead the co-ordination of group-wide BCP initiatives to raise the overall BCP / DRP readiness of the Bank.

The Bank has established the Key Control Testing (KCT) minimum standard to provide guidance and standards for all Business and Support Units for implementation. KCT is the set of methods and processes used for the key control identification, maintenance and testing in order to keep non-financial risks related to business activities actively within TMB Bank's risk appetite, ensure the effectiveness of controls and building proactive Risk Culture.

In terms of non-financial risk management at the subsidiaries, the subsidiaries have aligned with and adopted TMB's Non-financial Risk Management Policies and Framework where applicable. Their organization structure includes their own dedicated non-financial risk management. They also implemented non-financial risk tools such as RCSA, incident reporting, KRI, and BCP.

3.2.5 Reputational Risk

Reputational risk is defined as the risk of possible damage to the Bank's reputation from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or non-compliance with laws and regulations.

The bank-wide reputational risk is to be identified and assessed on a yearly basis including the mitigating actions to reduce risk level to be within the Bank's risk appetite. In addition, reputational risk is to be considered when identify and assess the Bank's key risks during RCSA process.

3.2.6 Strategic risk

TMB is aware of the possible strategic risk that results from the strategic plans, business plans, strategic implementations and controls which may be inappropriate and/or inconsistent with both internal and external business environments.

TMB's vision is, "TMB inspires people to Make THE Difference". In order to achieve this vision, TMB developed a 5-year rolling strategic plan focusing on a Deposit-Led Strategy and Transactional Banking Excellence. This will create a strong foundation for sustainable growth whilst TMB builds towards achieving market leadership. In addition, the post merger integration with Thanachart Bank will also be the strategic priorities on TMB going forward.

The crystallization of our strategy and implementation of both Business As Usual (BAU) and integration activities are reflected in continuous improvements of key financial performances. In order to better manage the strategic risk, TMB improved the processes of performance tracking and strategic risk control. Regular meetings of the management team and business units are held to review performance results together with remedial planning in case of target shortfalls. A strategic risk dashboard has been developed and is updated regularly to keep management informed and aware of the changing strategic risk status. A self-assessment of strategic risk is also regularly evaluated by management.

In all, TMB strongly determined to maintain a high level of strategic risk management. Starting from the process of strategic planning, organization restructuring, staffing and project implementation as well as performance monitoring, all must be in line with the Bank's key strategies. In addition, the strategic plan itself is reviewed regularly to ensure it stays relevant with the changing business environment.

3.2.7 Other Risk Factors

1) Risk from Economic condition

TMB Analytics projects Thai economy in 2020 to grow at a slower pace, compared to the 2019 growth of 2.4%, due to several headwinds including the COVID-19 outbreak, the delay in 2020 government budget bill as well as severe drought. The outbreak of COVID-19, originating from China, has posed significantly negative impacts on Thai tourism sector as well as merchandise exports in the first quarter of 2020. The numbers of foreign tourists in 2020 is forecasted to be at 38.7 million persons or decreasing by 2.8% from previous year. Moreover, the exports of goods is estimated to expand only 0.6% after contracting 2.5% in 2019. For the 6-month prolonged delay of 2020 government budget bill, it is estimated to make the public investment spending declined by more than 60 billion baht and also slow down public-related private investment to grow only by 2%. Regarding the drought that is expected to be the same degree impact as the incident in 2005, it is accordingly considered as a significant drag on farm incomes. With the declining trend of durables consumption after its accelerating pace in 2018-2019, private consumption is expected not to grow by a great magnitude as before. Thai government has therefore launched several stimulus measures including farmers' income guarantee schemes, soft loan program by government's special financial institutions and tax measures. These public stimulus packages are however estimated not being able to compensate all negative impacts on Thai economy. TMB

Analytics accordingly forecasts Thai GDP in 2020 to grow at a decelerating rate of 1.8%. For financial market, the BOT's monetary policy committee decided to cut the policy rate down from 1.25% to be at the record low of 1.0% in the early of February 2020 and is expected to maintain the rate at 1.0% till the end of the year so as to continuously accommodate stronger economic recovery. Regards to Thai baht, it is forecasted to be in a depreciation trend, moving around 31.0-31.7 baht per dollar, due to heightened domestic economy risks, less current account surplus and dollar appreciation.

Nevertheless Thai economy might encounter prolonged external challenges, including US-China trade war and geopolitical risks that would pose significantly negative impacts on global economic recovery as well as Thai merchandise exports. For domestic economy, the significant risk might arise from fragile financial conditions of both households and business sectors, particularly those with high debt burden as well as declining incomes. This can be reflected by a deteriorating trend in credit quality in banking system starting from last year.

The Bank is fully aware of economic uncertainties and recognizes the importance of comprehensive risk management framework and its execution. TMB Analytics, the Bank's in-house economic research unit, has played an important role in closely monitoring and assessing the economic conditions as well as cooperating with business units on regular basis. This is to ensure that the Bank's operation is resilient and ready against any unexpected uncertainties. We also regularly publish economic and financial articles as well as industry outlook for all of our clients including corporates, SMEs and retails.

2) Risk from Material Changes in Regulations

It is the Bank's obligation to comply with statutory rules and regulations issued by relevant authorities, e.g., Financial Institutions' Businesses Act, Bank of Thailand's Regulations and Notifications, the Securities and Exchanges Act, the Securities Laws and Regulations as issued by the Stock Exchange of Thailand, the Securities and Exchange Commission, Life Insurance Act and Non-Life Insurance Act, Office of Insurance Commission's Regulations and Notifications, the Anti Money Laundering Act, Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and their Royal Decrees. In addition, foreign act which substantial impact to the banking industry has also in place.

Compliance has been established in which responsible for providing advice, recommendations and opinions on various issues, cooperative with the relevant functions within the Bank in order to ensure that the Bank and its subsidiaries are in compliance with applicable statutory laws, rules and regulations as well as the Bank's internal policies and procedures. Substantial issues shall be escalated to the Bank's management and committees to effectively manage compliance risk.

In the year 2019, the Regulators who regulated Financial Institutions have issued guidelines including several regulations for the Financial Institutions. The summary of the significant regulations are as follows:

The Bank of Thailand (BOT)

BOT issued additional regulations related to personal loan under supervision that covers the loan with auto's plate license registration as loan guarantee. This is to support the group of based people to be able to get into the loan with reasonable cost and be treated more fairly by the business. BOT has pushed to improve in replacing the Debit cards and ATM cards from the magnetic cards type to be chip cards type in order to raise up the security in doing financial transaction, to have better cyber risk prevention. The target date to complete changing these cards will be by the end of 2019. BOT has issued the notification of Know Your Customer (KYC) for opening the deposit accounts by Financial Institutions. As the opening of deposit account with the Financial Institution is the significant transactions and is the starting point of the customers to use the financial service in the Financial Institution system. The rules includes 2 important processes which are 1) Customer Identification and 2) Customer Verification. This is for the Financial Institution to have efficient KYC process. The Financial Institutions can provide the account opening service for both Face-to-Face and Non Face-to-Face with the customers. The Financial Institutions can verify the customer's identification through the normal process or digital verification eg. via National Digital ID Platform (NDID Platform). In addition, BOT has set the standard of Thai QR Code for payment and money transfer for both locally and internationally, and the relevant key risk management. For the part of Capital, BOT has issued the regulation to align with Financial Reporting Standard no. 9 Re: Financial instrument (TFRS9).

In term of the Foreign Exchange regulations, BOT has revised the measures to prevent Thai baht speculation in order to reduce the fluctuation of Thai baht currency from the speculation by reducing the outstanding balance limit of Baht for non-resident (NR) account for both Non-resident Baht Account (NRBA) and Non-resident Baht Account for Securities (NRBS) at the end of each day from 300 million baht to 200 million baht per NR and revised the regulation to support the capital flow out and reduce the pressure of the Thai baht value by permitting the exporters whose income lower than 200,000 US dollars per export bill to be able to deposit their money in foreign country without limitation period. This also liberalized the retail investors to invest in foreign securities within the limit of 200,000 US dollars instead of passing through the local agents or required to have the assets as per specific condition.

The Securities and Exchange Commission (SEC)

SEC has issued guidelines on e-KYC in technology using for KYC (Know Your Customer) before start providing the service to customer by specifying the detailed process and methods in getting the information to identify the customers or the real beneficiary i.e. Identity proofing, Authentication, Client Due Diligence, Ongoing/Enhanced KYC, IT Risk Management and Data Management and Record Retention. There has also issued the regulation related to customer's complaint management including the report submission to SEC and board of director or the assigned committee for acknowledgement within the specific timeline. Issuance of the circulation to provide understanding of sales advisory of Unit Link product in order to be confident that the bank can sell Unit Link product and proposed the proper funds aligned with Unit Link features without any risk to customers as well as properly prepare and use the Unit Link sale sheet during the sales process and be more careful in providing the service to the vulnerable customers. SEC has issued the operating guidelines in contacting and providing service to the customers with special care need in order to

make sure that the vulnerable customers received the completed information and understand the details condition and risk of getting this service.

The Office of Insurance Commission (OIC)

OIC has issued additional notification related to the application, the approval and requesting for renewal of license as life insurance broker and non-life insurance broker. The applicants must be trained in the subject of life insurance / non-life insurance according to OIC requirement or pass the examination related life insurance / non-life insurance according to OIC's guidance. The applicants must not be a Designated Person according to Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Law.

3) Shareholder Risk

Shareholder risk may arise if the return from investment is not as initially expected. Returns from the investment in shares can be in the form of capital gains and/or dividend income.

The Bank aims to consistently maintain its operating performance and prudent risk management in order to generate sustainable returns for shareholders in the long run. Nevertheless, there are other external factors, which are beyond the Bank's control, that have the potential to affect the volatility of TMB share prices e.g. domestic and international political situations, foreign fund flows including the unpredictable circumstances. Hence, shareholders must be aware of all risk factors in which out of the Bank's control and decide on investment to suit their acceptable risk levels.

4) Emerging Risks

1. Digital disruption

While innovation and digitization provide financial institutions with new growth opportunities, banks can be impacted by the lack of preparation for new technologies and financial innovation. The implications and risks that come with digital finance and innovation also include information security and financial fraud, to name a few. These innovations can significantly disrupt the entire value chain of traditional financial business and the bank's business model, products and services. Thus, TMB implemented the Digital Transformation program consisting of the development of digital branding, agile organization, IT infrastructure, data analytics, and searching for right digital partnership in order to enhance competitive advantage by keeping up with the pace of a digital driven era. TMB proactively analyzes and identifies potential risks and opportunities associated with the innovation of digital and fintech and new technologies such as big data and machine learning to find effective countermeasures that better serve value added solutions to our customers.

2. Cybercrime

Cybercrime remains as a threat to individuals, corporations in general, and to financial institutions as well. Banks are expecting to be impacted by these attacks more frequently and intensely worldwide, affecting reputation, stakeholders' trust, and license to operate.

In 2019, TMB continues to develop its cybercrime resilience by establishing policies and minimum standards related to IT security and resilience, data leakage prevention and cybersecurity. In addition, the Board of Directors also

oversees the information security/cyber security strategy and effectiveness of the implementation. TMB also actively engages with regulators and collaborates with financial industry to strengthen cybercrime resilience.

3. Climate change

TMB recognizes that the environmental risks from climate change could result in indirect financial risks. Financing to irresponsible borrowers will not only be a significant source of immediate reputational risk but will also undermine long-term sustainability in both asset value and profitability of the Bank. TMB believes that banks play an important role in addressing climate-change issues and facilitating the transition to a low-carbon economy through financial products and services. TMB integrated the Environmental and Social Responsibility (ESR) policy into the approval process of all credit and commercial loans. This is to ensure that the Bank pays extra attention to the responsibilities that arise from environmental impacts. In addition, TMB is the first Thai commercial bank to issue Green Bond with International Financial Corporate (IFC) to exclusively finance climate projects, particularly renewable energy and energy efficiency, which is in line with TMB's green lending expansion plan.

4. Business Assets

4.1 Core fixed assets used in business operations

Premises and Equipment

Net book value of premises and equipment of the Bank and its subsidiaries as at December 31, 2017-2019 are as follows:

(Unit: THB million)

Item	As at December 31,		
	2019	2018	2017
1. Land	13,763	6,137	6,293
2. Building	13,736	8,880	8,915
3. Leasehold improvements	1,373	1,362	1,309
4. Equipment	7,963	6,585	6,441
Total	36,835	22,964	22,958
<u>Less</u> Accumulated depreciation	13,029	10,823	10,602
Allowance for impairment	164	265	285
Premises and equipment, net	23,642	11,876	12,071

4.2 Leasehold rights

1. Long-term lease

The Bank has leased office spaces, buildings, and commercial buildings from government agencies, state enterprises and private entities to locate regional offices, branches, sub-branches, car parking and ATMs, numbering 1,815 for rental-terms ranging from 1 year to 30 years, with total rentals payable of about THB 853 million per year.

2. Leasehold

The Bank owns leasehold on 3 branch offices amounting to THB 104 million for rental-terms ranging from 10 years to 30 years.

Details of the long-term lease contracts, land and office buildings

As of December 31, 2019, TMB leased a total of 1,815 plots of land and buildings from government agencies, state enterprises and private entities, of which 731 are located in Bangkok and its vicinities and 1,084 in other provinces, as detailed:

Counterparty	Location		Contract term
	Bangkok & its vicinities	Other provinces	
1. Land (ATM)			
1.1 Outsiders	543	895	1-3 years
1.2 Related parties			
- Bureau of the Crown Property	-	-	1-3 years
- The Treasury Department	43	69	1-3 years
- Government agencies/State enterprises	18	23	1-3 years
Total (1)	604	987	1,591
2. Buildings (branch offices)			
2.1 Outsiders	107	82	1-30 years
2.2 Related parties			
- Bureau of the Crown Property	2	2	1-3 years
- University	3	0	1-5 years
- The Treasury Department	12	9	1-24 years
- Government agencies/State enterprises	3	4	1-30 years
Total (2)	127	97	224
Grand total (1)+(2)	731	1,084	1,815

4.3 Intangible assets

As of December 31, 2019, the Bank's service marks and trademarks registered with Department of Intellectual Property, Ministry of Commerce, with the registration valid for 10 years from the registration date and renewable every 10 years, are as follows:

Symbol	Type	Product/Service	Registration date	Renew	Expiry date
	Service mark	Commercial bank	November 4, 2005	July 21, 2015	November 3, 2025
	Trademark	Magnetic stripe card	November 4, 2005	August 26, 2015	November 3, 2025
	Service mark	Commercial bank	October 19, 2005	August 26, 2015	October 18, 2025
	Trademark Service mark	Magnetic stripe card	January 15, 2007	December 8, 2016	January 14, 2027
Device mark	Service mark	Website, internet banking, mobile banking, customer relationship management center	September 2, 2010		September 1, 2020
	Service mark	Website, internet banking, mobile banking, customer relationship management center	September 2, 2010		September 1, 2020

Symbol	Type	Product/Service	Registration date	Renew	Expiry date
IT'S NOT A BANK.IT'S 	Service mark	Website, internet banking, mobile banking, customer relationship management center	September 2, 2010		September 1, 2020
	Service mark	Website, internet banking, mobile banking, customer relationship management center	September 13, 2010		September 12, 2020
	Trademark	Umbrellas, fabric bags, travelling bags, briefcases, vanity cases, sold empty, taffeta backpacks, name card cases of leather, fabric totes.	June 5, 2014		June 4, 2024
	Trademark	Tents.	June 5, 2014		June 4, 2024
	Trademark	T-shirts, shirts (except undershirts and sports shirts), hats, shirts.	June 5, 2014		June 4, 2024
	Trademark	Music boxes, melody boxes.	June 5, 2014		June 4, 2024
	Trademark	Drinking water.	September 5, 2014		September 4, 2024
	Trademark	Umbrellas, fabric bags; travelling bags, briefcases, vanity cases, sold empty, taffeta backpacks, name card cases of leather, fabric totes.	September 5, 2014		September 4, 2024
	Trademark	Tents.	September 5, 2014		September 4, 2024

Symbol	Type	Product/Service	Registration date	Renew	Expiry date
	Trademark	Electric kettles, flashlights.	September 5, 2014		September 4, 2024
	Trademark	Music boxes, melody boxes.	September 5, 2014		September 4, 2024
	Trademark Service mark	Golf bags, golf balls, dolls.	September 5, 2014		September 4, 2024
	Trademark Service mark	Calculators, hard disks, USB data carriers, computer bags, radios, telephone stands, mobile phone cases, computer mouse pads, application software, videos and data, video recording discs.	September 5, 2014		September 4, 2024
	Trademark Service mark	shirts (except undershirts and sports shirts), hats.	September 5, 2014		September 4, 2024
	Trademark Service mark	Television advertising, radio advertising, newspaper advertising, online advertising, outdoor advertising.	September 5, 2014		September 4, 2024
	Trademark Service mark	Financial services, non-life insurance services, credit services, loan services, credit card services, debit card services, surety services, electronic	September 5, 2014		September 4, 2024

Symbol	Type	Product/Service	Registration date	Renew	Expiry date
		money transfer services, safe deposit services, currency exchange services, travelers' check issuance services, internet banking services, provision of banking services through telephone and mobile phone, life insurance brokerage services, insurance brokerage services, life insurance services, marine insurance services, fire insurance services, accident insurance services, provision of installment loans, mutual fund services, hire-purchase financing services, leasing financing services, savings services, monetary and financial analysis, debit services, provision of secured loan, monetary and financial consultancy.			
	Trademark	Drinking water.	June 5, 2014		June 4, 2024

Symbol	Type	Product/Service	Registration date	Renew	Expiry date
	Trademark Service mark	Electric kettles, flashlights.	June 5, 2014		June 4, 2024
	Trademark Service mark	Golf bags, golf balls, dolls.	June 5, 2014		June 4, 2024
	Trademark Service mark	Credit cards, encoded magnetic, calculators, hard disks, USB data carriers, computer bags, radios, telephone stands, mobile phone cases, computer mouse pads, application software, videos and data, video recording discs.	June 5, 2014		June 4, 2024
	Service mark	Television advertising, radio advertising, newspaper advertising, online advertising, outdoor advertising.	June 5, 2014		June 4, 2024
	Service mark	Financial services, banking services, non-life insurance services, credit services, loan services, credit card services, debit card services, surety services, electronic money transfer services, safe deposit services, currency exchange services,	June 5, 2014		June 4, 2024

Symbol	Type	Product/Service	Registration date	Renew	Expiry date
		travelers' check issuance services, internet banking services, provision of banking services through telephone and mobile phone, life insurance brokerage services, insurance brokerage services, life insurance services, marine insurance services, fire insurance services, accident insurance services, provision of installment loans, mutual fund services, hire-purchase financing services, leasing financing services, savings services, monetary and financial analysis, debit services, provision of secured loan, monetary and financial consultancy.			
 Make THE Difference	Trademark Service mark	Commercial bank services	September 2, 2010		September 1, 2020
	Trademark Service mark	Clocks, jewelry boxes, souvenir key rings.	June 5, 2014		June 4, 2024

Symbol	Type	Product/Service	Registration date	Renew	Expiry date
	Trademark Service mark	Notebooks, diaries, pencils, pens, notepads, document folders, letter paper, letterhead paper, drawing paper, writing paper, envelopes, memo paper, office folders, self-adhesive memo paper, articles, publications for advertising purposes, advertising posters, advertising flyers, paper advertising boards.	June 5, 2014		June 4, 2024
	Trademark Service mark	Picture frames, umbrella hangers, pillows, bean bags, plastic advertising boards, wooden advertising boards, advertising inflatables.	June 5, 2014		June 4, 2024
	Trademark Service mark	Glasses, coffee serving sets, coasters, beverage containers for household use, food containers for household use, not of precious metal, plastic coasters.	June 5, 2014		June 4, 2024

4.4 Investments in subsidiary and associated companies

4.4.1 Policy on investments in subsidiary and associated companies

The Bank has a policy to invest in related subsidiaries and associated companies, providing that such entities engage in either financial businesses or businesses that will contribute to TMB's core banking businesses and thereby enhance financial service offerings to customers. The companies must have good prospects with an acceptable level of risk. In order to ensure that subsidiaries and associated companies have undertaken proper business practices in line with the Bank's investment policy, the Bank will participate in directing and determining their policies, business plans, and initiatives. Investment size will not exceed the limits permitted by the BoT.

As of December 31, 2019, details of the Bank's investments in subsidiaries and associated companies compared to its total assets as shown in the financial statements (the Bank only) are tabulated below:

(Bank Only)	Total Net Investment by TMB (THB million)	As % of total assets
Subsidiaries	167,865	9.00%
Associated companies	197	0.01%
Subsidiary and associated companies	168,062	9.01%
Total Assets	1,864,969	100.0%

4.4.2 Policy on operations of subsidiaries and associated companies

The Policy is developed by using the guideline of BoT's Consolidated Supervision Policy that requires commercial banks under BoT's supervision to comply with. The scope of the Bank's supervision is divided into various aspects to cover the implementation of the Financial Business Group. The Policy comprises 1 core policy and 7 supporting policies as follows:

Core Policy

1. Governance Structure

To determine the management and control structure of the Group Companies in aspect of generating strategic plan and nominating representative directors to jointly manage the Group Companies and reorganize to take responsibility of the Group Companies as appropriate. The Bank determines the guideline of representative director nomination covering investment in other companies in financial business group and general investment.

Supporting Policy

1. Accounting Policy

To determine the accounting and financial report policy for the Bank to collect related information from the Group Companies for generating consolidated financial report correctly, in the same direction and in compliance with the BoT's rule and regulation and analyzing performance and financial status of the Group Companies correctly and promptly for controlling and monitoring.

2. Corporate Governance Policy and Policy on Confidential & Insider Information and Conflicts of Interest

2.1 Corporate Governance Policy

To determine the policy for the Group Companies to conduct under business ethic and the morality and the best practices are concerning in good corporate governance and best practices which should be in line with Corporate Governance Policy.

2.2 Policy on Confidential & Insider Information and Conflicts of Interest

To determine the policy for the Group Companies to comply with the relevant policies and procedures in preventing any transaction which might be considered as conflict of interest or breach the bank regulation regarding insider trading.

3. Anti-Corruption Policy

This policy and the relevant policies are setting to manifests the Bank's and the subsidiaries intention on anti-corruption. Giving and accepting a bribe of improper benefit either from the officer / unit of the bureau office or private sector is prohibited. In this regard, each subsidiary shall be notified in writing of the policy in order to complied with this Anti-Corruption Policy and relevant policies included the relevant laws

4. Risk Management Policy

To determine the risk management policy of the Group Companies covering various aspects of risk relating to companies' performance and impacting the stability of the Group Companies including:

4.1 Market Risk Management

4.2 Liquidity Risk Management

4.3 Operational Risk Management

4.4 Credit risk management

5. Compliance Policy

To determine the policy for the Group Companies to conduct under Compliance Policy and relevant Regulatory Policy such as Regulatory Compliance, Related Parties or Connected Persons Policy, BoT's Regulatory Compliance and Know Your Customer and Anti-Money Laundering

6. Corporate Communication Policy

To determine the policy regarding the communication of information to outsider for the Group Companies to conduct in the same way and promote the Bank image in aspect of name and brand and disclose information of the Group Companies.

7. Audit Policy

To determine the roles of Internal Audit (AUD) and Independent Credit Review (ICR) and the Audit Committee's oversight role in conjunction with the roles of the Bank management and external auditor on auditing, controlling and monitoring the Group Companies. The ultimate objective is to ensure sound control culture and good governance throughout the Financial Business Group.

5. Legal Disputes

On December 31, 2019 TMB does not have an unsettled legal dispute which has the potential to negatively impact its assets, as the claimed amount is worth over 5% of net equity according to financial statements of bank.

6. General and Other Significant Information**6.1 General Information**

Name of the company	:	TMB Bank Public Company Limited
Nature of Business	:	Commercial bank's businesses in accordance with Financial Institutions Businesses Act and the businesses concerning financial services under the permission of the Ministry of Finance, the Bank of Thailand, and other parties concerned.
Head Office	:	3000 Phahon Yothin Road, Chomphon, Chatuchak, Bangkok 10900
Registration No.	:	0107537000017
Telephone	:	0-2299-1111
TMB Phone Banking	:	1558
Website	:	http://www.tmbbank.com
Registered capital	:	THB 100,912,374,754.35 (as of 31 December 2019)
Paid-up capital	:	THB 91,541,386,661.00
Common share	:	96,359,354,380 shares at par value 0.95 Baht

6.2 Investment in other companies holding more than 10 % of the paid-up capital

Investment in other companies as of December 31, 2019 holding more than 10 % of the paid-up capital in each company were as follows:

	Company	Head Office Location	Type of Business	Type of Capital (Share)	Paid-up Capital (Share)	TMB's ownership		
						Amount (Share)	Percentage (%)	Amount (Baht) (net of allowance for diminution in value)
	Strategic Investment in Financial Business Companies							
1	PHAYATHAI ASSET MANAGEMENT CO.,LTD. Tel. 0-2354-5001, Fax 0-2354-5014	Bangkok	FINANCE	COMMON STOCK	107,000,000	107,000,000	100.00	0.00
2	PHAHONYATHIN ASSET MANAGEMENT CO.,LTD. Tel. 0-2617-4068-70	Bangkok	FINANCE	COMMON STOCK	2,500,000	2,500,000	100.00	25,000,000.00
3	THANACHART BANK PUBLIC CO.,LTD.	Bangkok	FINANCE	COMMON STOCK	6,064,862,170	6,063,411,688	99.9761	167,840,202,196.55
4	TMB ASSET MANAGEMENT CO.,LTD. Tel. 0-2636-1800 Ext.1725 (customer service center)	Bangkok	FINANCE	COMMON STOCK	10,000,000	3,500,000	35.00	196,942,475.58
	Business Supporting Companies							
5	TMB PROPERTY DEVELOPMENT CO.,LTD. Tel. 0-2299-1159, Fax 0-2242-3138-9	Bangkok	REAL ESTATE	COMMON STOCK	10,000	9,993	99.93	4,169,342.92
	Other Companies							
6	N D GROUP FEEDMILL CO.,LTD.	Lumphun	WHOLESALE,RETAIL	COMMON STOCK	120,000	30,000	25.00	0.00
7	NATIONAL ITMX CO.,LTD. Tel. 02558-7555, Fax 02558-7566	Bangkok	SERVICES	COMMON STOCK	500,000	51,950	10.39	45,369,901.91
8	M_THAI ESTATE CO.,LTD. Tel. 0-2261-1144, Fax 0-2261-1143	Bangkok	REAL ESTATE	COMMON STOCK	30,000,000	3,000,000	10.00	0.00
9	THAI CHAREONPHOL INDUSTRY CO.,LTD. Tel. 0-5458-1202, Fax 0-5458-1876	Phrae	PRODUCTION	COMMON STOCK	15,500	2,500	16.13	0.00
10	TRIS CORPORATION LIMITED Tel. 0-2231-3011, Fax 0-2231-3681	Bangkok	SERVICES	COMMON STOCK	1,000,000	153,000	15.30	14,361,948.00
11	WHOLESALE TOWN CO.,LTD. Tel. 0-2531-6860, Fax 0-2532-3009	Bangkok	TRANSPORTATION	COMMON STOCK	22,000	2,200	10.00	0.00
12	WING GROUP CO.,LTD. Tel. 053-331315-6, Fax 053-331314, 053-331336	Chiang Mai	GARMENT MANUFACTURER	COMMON STOCK	9,000	2,250	25.00	0.00

6.3 Transactions with relating to investment

In 2019, the Bank imposed the regulatory fine from BOT and SEC as detailed below.

Regulators	2015-2018	2019
	Amount (Baht)	Amount (Baht)
The Bank of Thailand	The Bank of Thailand has fined the bank according to the Financial Institutions' Businesses Act B.E.2551 total amount of 4,903,125 baht which is categorized to:- ● Section 60 amount of 2,128,125 bath ● Section 71 amount of 2,775,000 baht	None
The Securities and Exchange Commission	The Securities and Exchange Commission has fined the bank according to section 113 of the Securities and Exchanges Act B.E.2535 amount of 832,000 baht.	The Securities and Exchange Commission has fined the bank according to section 113 of the Securities and Exchanges Act B.E.2535 amount of 4,254,000 baht.

6.4 Reference information**Other referral parties**

- **Share Registrar:**

Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building,
Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand
Tel. 0-2009-9000

- **Auditors :**

Mr.Chanchai Sakulkoedsin	CPA	Registered No. 6827
Or Miss Pantip Gulsantithamrong	CPA	Registered No. 4208
Or Mrs.Wilai Buranakittisopon	CPA	Registered No. 3920

KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Road., Yannawa
Sathorn, Bangkok 10120
Tel. 0-2677-2000

6.5 Other Significant Information

6.5.1 Credit Rating on TMB

The table below shows credit ratings of TMB assigned by Standard & Poor's, Moody's Investor Services and Fitch Rating as of December 2018 and 2019.

Credit Rating	December 31, 2018	December 31, 2019
Standard & Poor's (S&P)		
<u>Foreign Currency</u>		
Long-term : Debt instrument	BBB-	BBB-
Short-term : Deposits / Debt instrument	A-3	A-3
Stand-Alone Credit Profile (SACP)	bb+	bb+
Outlook	Stable	Positive
Moody's Investors Service		
<u>Foreign Currency</u>		
Long-term : Deposits	Baa2	Baa1
Short-term : Deposits / Debt instrument	Prime-2	Prime-2
Baseline Credit Assessment (BCA)	ba1	baa3
Outlook	Positive	Positive
Fitch Ratings		
<u>Foreign Currency</u>		
Long-term IDR	BBB-	BBB-
Short-term IDR	F3	F3
<u>National</u>		
Long-term	AA-(tha)	AA-(tha)
Short-term	F1+(tha)	F1+(tha)
Subordinated	A+(tha)	A+(tha)
Viability Rating	bbb-	bbb-
Support Rating	3	2
Supporting Rating Floor	BB+	BBB-
Outlook	Stable	Positive

Part 2: Management and Corporate Governance**7. Bank's Securities and Shareholders****7.1 Bank's securities****7.1.1 Bank's capital**

As of December 31, 2019, the Bank's registered capital was THB 100,912,374,754.35 of which THB 91,541,386,661 was paid up, comprising Ordinary shares 96,359,354,380 shares at par value of THB 0.95/share.

7.1.2 Thai Trust Fund

As of December 31, 2018, Thai Trust Fund was no longer issued by the Bank.

7.1.3 The number of shares or impacts on shareholders' voting rights from the issuance of Non-Voting Depository Receipt (Non-Voting depository receipt - NVDR)

Non-Voting Depository Receipt (NVDR) is a trading instrument issued by Thai NVDR Co., Ltd., a subsidiary wholly owned by Stock Exchange of Thailand (SET). By investing in NVDRs, investors will receive all financial benefits including dividends, right issues or warrants, as if they had invested in a company's ordinary shares. Unlike ordinary shareholders, NVDR holders are not entitled to voting rights in a shareholders' meeting except for the case of voting to pass a resolution concerning the delisting of shares from the SET. If the Bank's shares are issued as NVDRs in a great number, its shares with voting rights will decrease and the voting rights of other shareholders will increase.

As of December 11, 2019, the latest share register closing date, Thai NVDR Co., Ltd. issued NVDRs with the Bank shares as reference asset amounting to 5,403,394,082 shares or 5.608% of the Bank's issued and paid-up ordinary shares. However, the issuance of NVDR securities does not fall within the realm of the Bank's control. Investors may check the information on NVDR shares from website of the SET at www.set.or.th/nvdr.

7.1.4 Other securities

As of December 31, 2019, details of the Bank's other securities are summarized as follows:

Type	Interest rate (%)	Year of redemption	Collateral	Number and value not yet redeemed (as of December 31, 2019)	Bondholder's representative	Other conditions
1. Subordinated bond (TMB27NA) (Date of issue : May 29, 2017, worth THB 5,430 million)	Fixed interest rate of 3.50% per annum, payable quarterly.	November, 2027	Unsecured	5.43 million units THB 5,430 million	-	The Bank may proceed an early redemption of the whole amount of bond upon the approval from the Bank of Thailand under one of the following conditions: 1. On or after 5.5 years of the issue date. 2. Having any changes in Tax laws affecting the issuer's tax benefits. 3. Changing in regulations on the qualified Tier II debt securities which disqualifies the existing Tier II debt securities. 4. BOT's supplementary conditions. However, the redemption date must be valued on interest payment date.

Type	Interest rate (%)	Year of redemption	Collateral	Number and value not yet redeemed (as of December 31, 2019)	Bondholder's representative	Other conditions
2. Subordinated bond (TMB296A) (Date of issue : June 28, 2019, worth THB 30,000 million)	Fixed interest rate of 4.00% per annum, payable quarterly.	June, 2029	Unsecured	30 million units THB 30,000 million		The Bank may proceed an early redemption of the whole amount of bond upon the approval from the Bank of Thailand under one of the following conditions: 1. On or after 5 years of the issue date. 2. Having any changes in Tax laws affecting the issuer's tax benefits. 3. Changing in regulations on the qualified Tier II debt securities which disqualifies the existing Tier II debt securities. 4. BOT's supplementary conditions. However, the redemption date must be valued on interest payment date
3.Senior USD Bond (Date of issue : April 1, 2016, worth USD 250 million)	Fixed interest rate of 3.108% per annum, payable semi- annually.	October, 2021	Unsecured	1,250 units USD 250 million (Equivalent to THB 7,539 million)	The Hongkong and Shanghai Banking Corporation	Issued under the Bank's Euro Medium Term Note Programme

Type	Interest rate (%)	Year of redemption	Collateral	Number and value not yet redeemed (as of December 31, 2019)	Bondholder's representative	Other conditions
4.Senior Bond (Green Bond) (Date of issue : June 5, 2018, worth USD 60 million)	Floating interest rate of 6M Libor + spread per annum, payable semi-annually.	June, 2025	Unsecured	1 unit USD 60 million (Equivalent to THB 1.9 billion)	-	The proceeds from Green Bond issuance will be used to fund the green loan to private sector.
5.Senior Bond (SME Bond) (Date of issue : December 17, 2018, worth USD 90 million)	Floating interest rate of 6M Libor + spread per annum, payable semi-annually.	December, 2025	Unsecured	1 unit USD 90 million (Equivalent to THB 2.9 billion)	-	The proceeds from SME Bond issuance will be used to support small and medium sized enterprises.
6.Senior Euro Bond (Series 1) (Date of issue : November 12, 2019, worth EUR 150 million)	Fixed interest rate of 0.10% per annum, payable semi-annually.	November, 2020	Unsecured	150 thousand units EUR 150 million (Equivalent to THB 5,060 million)	-	Issued under the Bank's FCY Medium Term Note Programme
7.Senior Euro Bond (Series 2) (Date of issue : November 11, 2019, worth EUR 150 million)	Fixed interest rate of 0.22% per annum, payable semi-annually.	November, 2021	Unsecured	150 thousand units EUR 150 million (Equivalent to THB 5,060 million)	-	Issued under the Bank's FCY Medium Term Note Programme

Type	Interest rate (%)	Year of redemption	Collateral	Number and value not yet redeemed (as of December 31, 2019)	Bondholder's representative	Other conditions
8.Senior Euro Bond (Series 3) (Date of issue : November 11, 2019, worth EUR 70 million)	Fixed interest rate of 0.48% per annum, payable semi-annually.	November, 2022	Unsecured	70 thousand units EUR 70 million (Equivalent to THB 2,361 million)	-	Issued under the Bank's FCY Medium Term Note Programme
9.Senior Euro Bond (Series 4) (Date of issue : November 13, 2019, worth EUR 155 million)	Fixed interest rate of 0.85% per annum, payable semi-annually.	November, 2024	Unsecured	155 thousand units EUR 155 million (Equivalent to THB 5,228 million)	-	Issued under the Bank's FCY Medium Term Note Programme
10. Additional Tier 1 (Date of issue : December 2, 2019, worth USD 400 million)	Fixed interest rate of 4.90% per annum, payable semi-annually.	Perpetual	Unsecured	400 thousand units USD 400 million (Equivalent to THB 12,062 million)	The Hongkong and Shanghai Banking Corporation	- Issued under the Bank's Euro Medium Term Note Programme - Issuer may proceed an early redemption at the fifth year of the issue date or any interest payment date after the fifth year of the issue date, all redemptions are subject to BOT approval.

Type	Interest rate (%)	Year of redemption	Collateral	Number and value not yet redeemed (as of December 31, 2019)	Bondholder's representative	Other conditions
11. Subordinated bond (TBANK25NA) (Date of issue : May 11, 2015, worth THB 7,000 million)	Fixed interest rate of 4.65% per annum, payable quarterly.	November, 2025	Unsecured	7 million units THB 7,000 million		The Issuer may call debentures prior to the maturity date according to the approval of the Bank of Thailand for the following conditions: 1. On any coupon date after the fifth year of issuance; or 2. Before the fifth anniversary of the issuance of the debenture, the issuer is able to demonstrate that interest paid by this debenture can no longer be deducted as expenditure of the issuer for the tax benefits; or. 3. Before the fifth anniversary of the issuance of the debenture , there are any changes in regulations on qualified Tier II debt securities which disqualifies the existing Tier II debt securities. or 4. Any cases or conditions to be specified by the Bank of Thailand in the future.

Type	Interest rate (%)	Year of redemption	Collateral	Number and value not yet redeemed (as of December 31, 2019)	Bondholder's representative	Other conditions
12.Senior Bond	1.90% , 1.93% , 1.96% (Discount rate according to market rate at the time of offering)	February 2020 and March 2020	Unsecured	24.5 million units THB 24,419 million	-	

7.2 Major shareholders

7.2.1 List of 10 largest shareholders and proportion of shareholding

The list of the 10 largest shareholders at the latest share register closing date on December 11, 2019 is shown as below,

Major shareholders	Number of ordinary shares	%
1. ING Bank N.V.	22,190,033,791	23.03
2. THANACHART CAPITAL PUBLIC COMPANY LIMITED	19,375,000,040	20.11
3. MINISTRY OF FINANCE	11,364,282,005	11.79
4. VAYUPAK FUND1	9,578,979,415	9.94
5. SCOTIA NETHERLANDS HOLDINGS B.V.	5,723,611,111	5.94
6. THAI NVDR	5,403,394,082	5.61
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	1,316,959,544	1.37
8. GIC PRIVATE LIMITED	933,133,292	0.97
9. MILITARY GROUP *	784,612,673	0.81
10. STATE STREET EUROPE LIMITED	667,690,561	0.69

*Included Royal Thai Army, Thai Navy, Thai Air Force, Military Units and RTA Entertainment Plc.

7.3 Agreements between the Bank and business alliance

7.3.1 Agreement between the Bank and FWD Life Insurance Plc (FWD Life)

In 2017, the Bank entered into a Bancassurance Agreement with FWD Life Insurance Public Company Limited (FWD Life Insurance) with initial term of 15 years, starting from January 1st, 2017.

Strategic Collaboration

The objective aimed to develop and provide best-in-class life insurance products to TMB's customers. The Partnership is expected to bring significant benefits to both parties, FWD will gain exclusive access to TMB customers for life insurance business purpose, resulting in building up customers' understanding that allows FWD to support TMB in providing variety of life insurance products and services that suit customers' needs.

For this alliance with FWD, TMB receives the access fee approximately THB19,582 million, net of all taxes and expense, excluding commission and profit sharing is recorded as "Deferred revenue" in liability side to be recognized quarterly as fee income over the initial term of 15 years. Further information are provided in the note to financial statements.

7.3.2 Agreement between the Bank and Asset Management Company

Since April 2014, the Bank has set a long-term policy to have an open-architecture platform which offers a wide variety of mutual fund products in order to match various client needs and risk-return profiles. In July 2018, TMB announced partnership with Eastspring Investment, lead asset management in Asia, and the Bank agreed to sell 65% stake in TMBAM for a partnership with Eastspring. Partnering with Eastspring is in line with the Bank mutual fund open architecture strategy. It will also help enhance capabilities of TMBAM to provide TMB best-in-class products and uplifted services to better serve customers. In 2019, TMB added Thanachart Fund on open-architecture platform as a result, the Bank is the selling agent of 11 Asset Management Companies including TMB Asset Management Co. Ltd., UOB Asset Management Co. Ltd., Aberdeen Asset Management Co. Ltd., CIMB-Principal Co. Ltd., Manulife Asset Management Co. Ltd, Tisco Asset Management, One Asset Management Ltd, Kasikorn Asset Management Co. Ltd, Krungsri Asset Management Co. Ltd, Krungthai Asset Management Co. Ltd, and Thanachart Fund Management Co., Ltd. This enables TMB to offer a broader range of products and asset classes to its customers.

The Asset Management Company appoints the Bank as a Selling Agent for selling, repurchasing and switching the unit trust and provides advisory service under the Distribution Agent Agreement following the SEC regulations and other applicable laws.

7.4 Dividend payment

7.4.1 The Bank's policy

The Bank has set out a policy on the dividend payment from financial statements (Bank only). The dividend payment is subject to the Bank's operating performance, the long term benefits to the Bank's shareholders, the Bank's capital adequacy and reserve requirements as well as the relevant legal conditions. In addition, the dividend payment must be in line with the BOT's Notification, SorNorSor. 5/2559, Re: Classification and Provision of the Financial Institutions, dated June 13, 2016 which states that as long as financial institutions have not yet written off impaired assets or have not yet made full provision for assets and contingent liabilities whether they are impaired or not, financial institutions are not allowed to pay dividends nor any other forms of returns to its shareholders; and the BOT's Notification, SorNorSor. 20/2558, Re: Regulation for Accounting Treatment of the Financial Institutions, Section 8: Dividend Policy dated December 4, 2015, requiring that financial institutions should not make dividend payments out of unrealized profits or profits that are not based on actual cash flows, such as profits from mark to market values of securities, or out of any profits derived from the reclassification of financial assets, nor should financial institutions make dividend payments out of profits from the sale of assets, which are not actually completed and which may result in abnormal profits or losses, such as profits from the sale of properties foreclosed, where a repurchase option is part of the agreement.

In addition, under the BOT's Notification SorNorSor. 12/2555, starting from 1 January 2016 onwards, the Bank is required to maintain a capital conservation buffer above regulatory minimum capital requirements, and if the Bank's minimum capital requirements fall within certain specified ranges, constraints would be imposed and distributions including dividends would be restricted. The Bank aims to maintain capital levels above these ranges as part of its capital planning and dividend policy considerations.

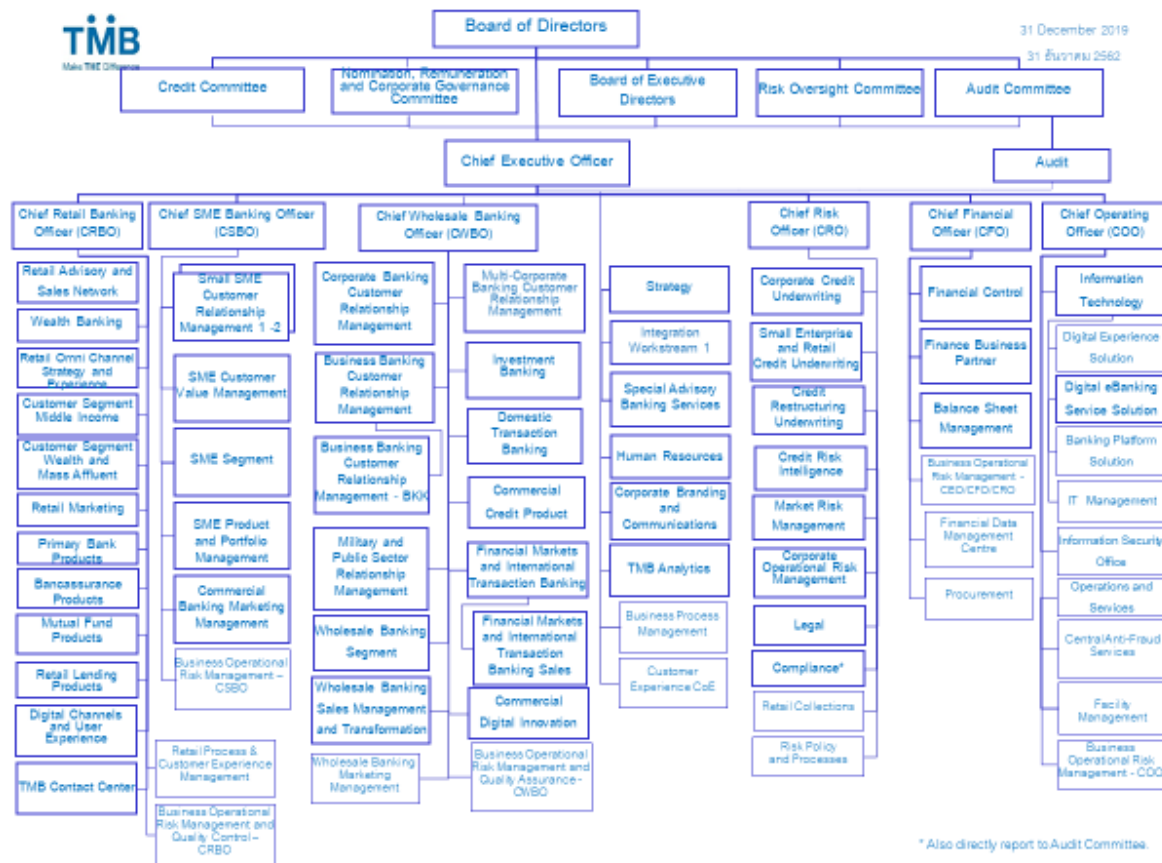
7.4.2 Policy of subsidiary companies

Subsidiary companies' dividend payments are subject to the approval of their respective boards of directors and to be proposed at their shareholder meetings for approval. The Bank has not set out a payment rate. Their dividend payments will depend on their operational performance and business plans and must be complied with each company's regulations and relevant laws governing the company's dividend payment.

8. Management

8.1 Organization Chart

As of December 31, 2019:



8.2 Board of Directors

The Board of Directors as of December 31, 2019 consisted of 13 members, 8 holding non-executive directors positions, 4 independent directors, and 1 holding executive director position.

Name	Position	Date of Appointment	Term of Office (Year-Month)
1. Mr. Prasong Poontaneat ¹	Chairman of the Board	June 20, 2018	1 Year 6 months
2. Mr. Suphadej Poonpipat	- Vice Chairman of the Board - Vice Chairman of Board of Executive Directors	December 3, 2019	1 month
3. General Nattaphon Nakphanit	Director	May 30, 2019	7 months
4. Mr. Philippe G.J.E.O. Damas	- Director - Chairman of the Board of Executive Directors - Chairman of the Nomination, Remuneration and Corporate Governance Committee	December 28, 2007	12 years
5. Mr. Singha Nikornpun	- Independent Director - Chairman of the Audit Committee	January 10, 2014	5 years
6. Mr. Teeranun Srihong	- Independent director - Chairman of the Risk Oversight Committee - Chairman of the IT Oversight Committee - Member of the Nomination, Remuneration and Corporate Governance Committee	December 17, 2019	0.5 months
7. Mr. Chumpol Rimsakorn	- Director - Chairman of the Credit Committee - Member of the Board of Executive Directors - Member of the Nomination, Remuneration and Corporate Governance Committee	April 7, 2017	2 year 9 months

Name	Position	Date of Appointment	Term of Office (Year-Month)
8. Mr.Yokporn Tantisawetrat	- Director - Member of the Risk Oversight Committee - Member of the Credit Committee	June 1, 2015	4 years 7 months
9. Mr. Praisun Wongsmith	- Independent director - Member of the Audit Committee	February 12, 2016	3 years 11 months
10.Mr. Somjate Moosirilert	- Director - Member of the Board of Executive Directors - Member of the Nomination, Remuneration and Corporate Governance Committee	December 3, 2019	1 month
11.Mr. Michal Jan Szczurek	- Director - Member of the Board of Executive Directors - Member of the IT Oversight Committee	December 17, 2019	0.5 month
12.Mr. Prinya Hom-anek	- Independent director - Member of the Audit Committee - Member of the Risk Oversight Committee - Member of the IT Oversight Committee	December 17, 2019	0.5 month
13. Mr. Piti Tantakasem	- Director - Member of the Board of Executive Directors - Member of the Risk Oversight Committee - Member of Credit Committee - Member of the IT Oversight Committee - Chief Executive Officer	January 1, 2018	2 years

Remarks:

¹ Mr. Prasong Poontaneat resigned from chairman of Board of Director effective on January 1, 2020. Mr. Ekniti Nitithanprapas was appointed as a director and chairman to replace Mr. Prasong Poontaneat effective from 13 February 2020

Average term of office for every director in Board of Directors is 2 Years 6 months

*Mr. Naris Aruksakunwong is Secretary to the Board.

*Mr. Kriangkrai Phurivitvattana was appointed to replace Mr. Naris Aruksakunwong who was the secretary to the Board until January 31, 2020. Mr. Kriangkrai Phurivitvattana was appointed as the Secretary to the Board since February 1, 2020.

The Board meeting shall be held at least once a month, the meeting shall be held on the last Thursday of every month. In case of an urgent case, the Board can arrange a special meeting as deemed necessary.

Amendment of Director Authorized to Sign to Bind the Bank

Mr. Piti Tantakasem, Chief Executive Officer is authorized to sign with the Bank's seal affixed.

The scope of roles and responsibilities of the Board of Directors is as follows:

1. Understand and execute their oversight role, including understanding the Bank's risk appetite.
2. Exercise their fiduciary duty, duty of loyalty, and duty of care to the Bank under applicable Thai laws and supervisory standards.
3. Avoid conflicts of interest and the appearance of such conflicts, and institute and enforce measures to monitor and avoid potential conflicts by the Bank's personnel in dealings with other persons and organizations.
4. Commit sufficient time and energy to fulfilling their responsibilities.
5. Avoid direct participation in day-to-day management of the Bank except executive director.
6. Secure information from management to enable the Board to fulfill its functions. It is the Board's responsibility to decide what information it wants.
7. Excuse themselves from decisions when they themselves or someone related to or connected with them have a conflict of interest.
8. Provide oversight of the senior management of the Bank by exercising their duty and authority to question and insist upon straightforward explanations from management and receive on a timely basis sufficient information to judge the performance of management.
9. Ensure that the Bank's confidential information and customer information is not given either inadvertently or deliberately to third parties and shall not use the information to seek gains without the Bank's consent or permission by law.

Function of the Board

The Board has delegated the management and day to day running of the Bank to the Chief Executive Officer including implementation of the strategy approved by the Board. The Board plays an important role in determining policies and overseeing the Bank to ensure appropriate and adequacy process and resources to enable operations in accordance with those policies, and to ensure monitoring, control, and audit of the implementation. In addition, The Board approves vision, mission, and strategy and ensure that vision, mission, and strategy are implemented by

management. The Board shall review vision, mission, and strategy annually according to the change of economy and business competition. The other authorities and duties of the Board are as follows:

1. Strategy and Policy

1. Approve, monitor and update the overall business strategies of the Bank, including on risk governance, risk, sustainability and culture.
2. Approve overall business plan, budget, and risk appetite.
3. Safeguard the longer-term value of the Bank, which include the brand and corporate reputation.
4. Approve all credit limits for amounts in excess of the amount delegated to other board committees or management, which delineates cascading levels of authorities.
5. Approve all other risk limits and policies as prescribed by the Bank of Thailand and other relevant regulators.
6. Determine a calendar each year that sets forth and schedules the issues to be discussed by the Board during the year. Substantive issues such as strategy, financial performance and progress against budget and operational plans, capital planning, actual risk profile, Chief Executive Officer's performance evaluation and operational oversight issues such as product approval process should be prioritized over formalistic issues.
7. Approve the authority or the delegation of authority to approve credit, market risk limits, acquisitions, disposals, investments, or realization or creation of a new venture.
8. Ensure that the policies adopted by the Bank apply to and are implemented by each of its subsidiaries, or that each subsidiary adopt and implement policies of equivalent effectiveness.
9. Preside over the business in compliance with the Bank Objectives, Articles of Association and follow the shareholder's resolution.
10. Oversee a delegation of authority or the lower delegation to operate the bank's business according to the Board's resolution.

2. Compliance

1. Oversee management's actions and consistency with Board policies as part of the checks and balances embodied in sound corporate governance.
2. Oversee Bank operation to provide fair service to customers.
3. Ensure and oversee a proper and efficient whistleblowing policy and procedure.
4. Meet regularly with senior management to review policies, establish communication lines and monitor progress toward corporate objectives.
5. Promote Bank safety and soundness, understand the regulatory environment and ensure the Bank maintains an effective relationship with its regulators.
6. Provide sound advice to management and recommend sound practices gleaned from other situations.

7. Review and, where permissible or required under applicable regulations, consider approval of connected transactions as prescribed by the Securities and Exchange Commission and related party credit limits as prescribed by the Bank of Thailand.

8. Oversee Bank disclosure of significant corporate governance to shareholder's meeting and public in order to strengthen the bank's good corporate governance.

3. Organization

1. Organize the Board and its committees in a way that promotes efficiency and strategic discussion.

2. Establish certain specialized committees to assist the Board in its oversight function and to advise the Board on issues requiring specific technical expertise.

3. Periodically assess the effectiveness of its own governance practices, including nomination and election of Board members and management of conflicts of interest, determining where weaknesses exist, and making changes as necessary.

4. Develop and maintain an appropriate level of expertise as the Bank grows in size and complexity.

5. Select, monitor and where necessary replace key executives, while ensuring that the Bank has an appropriate plan for executive succession and that any intended successor(s) will be qualified, fit and proper to manage the affairs of the Bank.

6. Select, evaluate and determine the compensation of the Chief Executive Officer as well as certain key senior executives.

7. Ensure that Bank's compensation and benefits programs are appropriate and consistent with the strategic objectives and are compliant with relevant regulations.

8. Continuously review the internal structure of the Bank to ensure that there are clear lines of accountability for management throughout the organization.

8.3 Executives

As of December 31, 2019, the Bank's executives as defined by the Bank and align with definition of SEC are comprised of 26 persons as follows:

No	Name-Surname	Position
1	Mr. Piti Tantakasem	Chief Executive Officer
2	Mr. Senathip Sripaipan	Chief Wholesale Banking Officer
3	Ms. Marie Ramlie ⁽³⁾	Chief Retail Banking Officer Acting Chief SME Banking Officer (until Dec 31, 2019)
4	Mr. Johannes Franciscus Grisel	Chief Risk Officer
5	Mrs. Prapasiri Kositthanakorn	Chief Financial Officer
6	Mr. Markus Dolenga ⁽¹⁾	Chief Operating Officer

No	Name-Surname	Position
7	Ms. Arwiwan Tangtrongchit	Head of Financial Controller
8	Ms. Somkid Preechasammakul	Head of Finance Business Partner
9	Ms. Pimolwan Puarattana-Aroonkorn	Head of Finance Business Partner - Commercial
10	Mr. Thawatchai Trongnamsukki	Head of Finance Business Partner - CRO
11	Mrs. Jittrawadee Srivichit	Head of Finance Business Partner - Retail
12	Ms. Preediorn Klungnark ⁽²⁾	Head of Financial Business Partner-CEO, CFO
13	Mr. Mate Kanokpibool	Head of Financial Payment and Control
14	Mr. Andrew Kent Jan	Head of Balance Sheet Management
15	Mrs. Kwanhatai Sukhumtammarat	Head of Financial Data Maintenance and Processing
16	Mr. Chalermchai Paisithmongkol	Head of Central Treasury
17	Mrs. Voraluck Chokchaitam	Head of Asset Liability and Capital Management
18	Ms. Waree Thanmongkolswad	Head of Financial Regulatory Management
19	Mrs. Suphavadee Wuthithien	Head of Regulatory Analysis - BoT Reporting
20	Mrs. Kamolmarn Staworn	Head of Regulatory Analysis - Financial Reporting
21	Ms. Veeraya Mahakhan	Head of Financial Reporting Services
22	Mrs. Patcharee Leelarasamee	Head of Balance Sheet Analytics
23	Mr. Prayut Boonlerd ⁽⁵⁾	Head of Accounting Control
24	Ms. Rochana Ratant-Ubol ⁽⁶⁾	Head of Accounting Operation
25	Ms. Siriphon Rattanaumphawan ⁽⁴⁾	Head of Financial Governance and Policy
26	Ms. Maline Laoitthi	Head of Financial Data Management Centre

Remarks:

⁽¹⁾ was appointed as Chief Operating Officer since May 1, 2019

⁽²⁾ was appointed as Head of Financial Business Partner-CEO, CFO since June 1, 2019

⁽³⁾ was appointed as Chief Retail Banking Officer since August 1, 2019 and was appointed as Acting Chief SME Banking Officer since August 1, 2019 until Dec 31, 2019

⁽⁴⁾ was appointed as Head of Financial Governance and Policy since August 16, 2019

⁽⁵⁾ was appointed as Head of Accounting Control since August 16, 2019

⁽⁶⁾ was appointed as Head of Accounting Operation since August 26, 2019

8.4 Company Secretary

The Board of Directors has appointed Mr. Naris Aruksakunwong to hold position of Company Secretary. (see more detail about education, work experience, and training course related to company secretary's function in attachment 1)

The Company Secretary's roles and responsibilities are to perform duty in compliance with laws and follow up activities of the Board of Directors and Board Committees, management, and the Bank's to be in line with relevant laws, regulations, and articles of association of the Bank. The Company Secretary is also to support the Board of Directors, board committee, management, and the Bank to implement operation in line with good corporate governance.

The Company Secretary has roles and responsibilities as follows:

1. For the Bank

1.1 To monitor and supervise the Bank's overall operation to comply with relevant laws and regulatory requirements including resolution of Board of Directors, resolution of annual general meeting of shareholders.

1.2 To file and keep the Bank's important documentation such as certificate, memorandum & articles of association, shareholder register, licenses and power of attorney, etc.

1.3 To push for guidelines so that the Bank shall formulate policies, comply with good corporate governance and conduct regular review.

1.4 To act as contact person of the Bank.

2. For the Board

2.1 To advise the Board of Directors and management on laws and regulations relevant to their duties.

2.2 To oversee and conduct meetings of the Board and board committees established by the Board of Directors to be in line with laws, regulations, articles of association, charters, and best practices.

2.3 To perform the Board's secretary and board committees' secretary as assigned including Chief Executive Committee, record accurate and complete minutes, inform to relevant management the resolution and follow up the resolution implementation.

2.4 To oversee the changes of directors and examine director's qualifications in case of appointment of new directors and director to replace director who resigned by rotation in line with regulatory requirements and the bank's strategy and business direction, including propose the issue to the Bank of Thailand for endorsement.

2.5 To review director's qualifications during the directorship period to ensure that the qualifications are always in line with regulatory requirements.

2.6 To oversee insider information and conflict of interest practices of directors

2.7 To facilitate directors' training and development

2.8 To provide Board's and Board Committees' performance assessment

2.9 To arrange Directors and Officers Liability Insurance (D&O Insurance) for the directors and management.

3. For the Shareholders

3.1 To conduct shareholders' meeting to be in line with laws, articles of association and good corporate governance principle, including perform duty of secretary to the shareholders' meeting.

3.2 To oversee the right of shareholders and create good relationship with shareholders.

8.5 Board of Directors' Meeting

In 2019, details of the meeting attendance of the Board of Directors and board committee members are as follows:

Name	Board of Directors	Board of Executive Directors	Audit Committee	Nomination, Remuneration Corporate Governance Committee	Risk Oversight Committee	Credit Committee
Total no. of meetings in 2019	17	24	15	13	12	21
1. Mr. Prasong Poontaneat ¹	16/17					
2. Mr. Suphadej Poonpipat ²	2/2	1/1				
3. General Apirat Kongsompong ³	3/5					
4. General Nattaphon Nakphanit ⁴	10/11					
5. Mr. Philippe G.J.E.O. Damas ⁵	16/17	23/24		13/13		
6. Mr. Singha Nikornpun ⁶	17/17		15/15			
7. Mr. Siripong Sombutsiri ⁷	15/16			11/12	10/11	
8. Mr. Prinya Hom-anek ⁸	1/1				1/1	
9. Ms. Catherine Low Peck Cheng ⁹	11/15				9/11	16/16
10. Mr. Teeranun Srihong ¹⁰	1/1			1/1	1/1	
11. Mr. Chumpol Rimsakorn	17/17	24/24		13/13		21/21
12. Mr. Vaughn Nigel Richtor ¹¹	10/15	20/23				
13. Mr. Michal Jan Szczurek ¹²	1/1	1/1				
14. Mr. Yokpom Tantisawetrat ¹³	17/17	23/23			12/12	20/21
15. Mr. Christopher John King ¹⁴	14/16		12/14	11/12		
16. Mr. Praisun Wongsomith	16/17		13/15			
17. Mr. Somjate Moosirilert ¹⁵	2/2	1/1		1/1		
18. Mr. Piti Tantakasem	17/17	24/24			11/12	17/21
Average of 2019 meeting attendance (%)	92%	98%	91%	97%	96%	92%

Remarks:

¹Mr. Prasong Poontaneat resigned from director and chairman with effective date January 1, 2020.

- The Board of Directors meetings no. 7/2562 joined the meetings through Conference call.

² Mr. Suphadej Poonpipat was appointed as director effective from December 3, 2019.

³ General Apirat Kongsompong resigned from director with effective date May 3, 2019.

- The Board of Directors meetings special session no. 1/2562 joined the meetings through Conference call.

⁴ General Nattaphon Nakphanit was appointed as a director to replace General Apirat Kongsompong effective from May 30, 2019

- The Board of Directors meetings no. 8/2562, 10/2562 joined the meetings through Conference call.

⁵ Mr. Philippe G.J.E.O. Damas is a director who does not have residence in Thailand.

- The Board of Executive Directors meetings no. 1/2562, 3/2562, 5/2562, 7/2562, 9/2562, 11/2562

Mr. Philippe G.J.E.O. Damas joined the meetings through Skype for business system.

⁶Mr. Singha Nikompun

- The Board of Directors meetings special session no. 6/2562 joined the meetings through Skype for business system.

⁷ Mr. Siripong Sombutsiri resigned from independent director with effective date December 16, 2019.

- The Board of Directors meetings special session no. 6/2562 joined the meetings through Skype for business system.

⁸ Mr. Prinya Hom-anek was appointed as independent director to replace Mr. Siripong Sombutsiri effective from December 17, 2019.

⁹ Ms. Catherine Low Peck Cheng resigned from director with effective date December 3, 2019. Ms. Catherine Low Peck Cheng is a director who does not have residence in Thailand.

- The Credit Committee meetings no. 2/2562, 4/2562, 6/2562, 9/2562, 11/2562, 13/2562 Ms. Catherine Low Peck Cheng joined the meetings through Skype for business system.

¹⁰ Mr. Teeranun Srihong was appointed as a director to replace Ms. Catherine Low Peck Cheng effective from December 17, 2019.

¹¹ Mr. Vaughn Nigel Richtor resigned from director with effective date December 3, 2019. Mr. Vaughn Nigel Richtor is a director who does not have residence in Thailand.

- The Board of Directors meetings special session no. 1/2562, 4/2562 joined the meetings through Skype for business system.
- The Board of Executive Directors meetings no. 1/2562, 4/2562, 5/2562, 9/2562, 11/2562, 16/2562, 19/2562, Special session no. 1/2562, 2/2562, 3/2562, 4/2562. Mr. Vaughn Nigel Richtor joined the meetings through Skype for business system.

¹² Mr. Michal Jan Szczurek was appointed as a director to replace Mr. Vaughn Nigel Richtor effective from December 17, 2019.

¹³ Mr. Yokporn Tantisawetrat

- The Board of Directors meetings special session no. 5/2562 joined the meetings through Skype for business system.

¹⁴ Mr. Christopher John King resigned from independent director with effective date December 16, 2019.

- The Board of Directors meetings special session no. 3/2562, 4/2562, 5/2562 joined the meetings through Skype for business system.
- The Audit Committee meetings special session no. 2/2562, 3/2562, No.10/2562 joined the meetings through Skype for business system.
- The Nomination, Remuneration and Corporate Governance Committee Meetings Special session no. 1/2562, 2/2562 Mr. Christopher John King joined the meetings through Skype for business system.

¹⁵ Mr. Somjate Moosirilert was appointed as director effective from December 3, 2019.

8.6 Remuneration for directors and executives

8.6.1 Remuneration for directors

The Bank has fairly set the directors' remuneration criteria, compositions and amounts based on Fiduciary Duty at appropriate level. In addition, the directors' remuneration shall be in accordance with accountability and responsibility of the directors compared with the companies in the same industry and similar size.

In addition, directors' remuneration must be sufficient and attractive to nominate qualified directors and retain directors who has knowledge and capability to perform their duty and dedicate themselves to contribute to the Bank.

The Nomination, Remuneration and Corporate Governance Committee has reviewed the directors' remuneration on an annual basis, and then propose to the Board for endorsement and also put it in agenda of the Annual General Meeting of Shareholders for approval annually.

Directors' remuneration criteria

1. Monthly fee consist of

1.1 Retaining fee = Director is entitled to the retaining fee for one position only.

1.2 Committee fee = Director is entitled to the committee fee for every board and committee that he/she sits on.

2. Attendance fee = Director is entitled to the attendance fee for every meeting where he/she is present.

Cash remuneration by committee is as follows;

		Remuneration (baht)		
		Retaining Fee (Per Year)	Committee Fee (Per Year)	Attendance Fee (Per Meeting)
Board of Directors	Chairman	1,800,000	1,800,000	40,000
	Vice Chairman*	420,000	420,000	35,000
	Member	384,000	384,000	30,000
Board of Executive Directors	Chairman	1,440,000	1,440,000	40,000
	Vice Chairman*	420,000	420,000	35,000
	Member*	384,000	384,000	30,000
Audit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Nomination, Remuneration and Corporate Governance Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Risk Oversight Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Credit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
IT Oversight Committee*	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600

Remarks:

*The Board of Directors meetings no. 1/2563 has approved the revision of the remuneration rate for the vice chairman of Board of Director, vice chairman and member of Board of Executive Director, and chairman and member of IT Oversight committee with effective in January 2020.

The directors who are the Bank's executives do not receive the remuneration according to the Bank's regulations. As well as, the representative directors who are the executives of ING Bank N.V. will not receive the remuneration under ING's policy.

In case additional remuneration is required for newly formed committees, the Board of Directors shall provide such remuneration and ensure that the total remuneration for the directors shall not exceed THB 40 million as approved by the shareholders' meeting.

In 2019, the Annual General Meeting of Shareholders has approved the distribution of directors' bonus at the rate 0.5 percent of dividend paid among the directors for 2017 operational performance and the Board be granted the authority to set up detail of the allocation. In this regard, the director who is the Bank's executive and the representative directors who are the executives of ING Bank N.V. will not receive the directors' bonus.

In 2019, the directors received remuneration for serving on the Board of Directors and other committees in a total amount of THB 32,675,000 and directors' bonus amount of THB 15,347,828.15. The details are as follows:

Name of director	Details
1. Mr. Rungson Sriworasat ⁽¹⁾ (Until May 31, 2018)	Receiving THB 920,869.70 for directors' bonus.
2. Mr. Prasong Poontaneat ⁽¹⁾⁽²⁾ (Since June 20, 2018)	Receiving THB 4,240,000 for serving as Chairman of the Board of Directors. Receiving THB 1,289,217.57 for directors' bonus.
3. Mr. Suphadej Poonpipat ⁽³⁾	Receiving THB 193,600 for serving on the Board of Directors and as Member of the Board of Executive Directors.
4. General Chalermchai Sitthisad ⁽¹⁾ (Until October 31, 2018)	Receiving THB 1,105,043.63 for directors' bonus.
5. General Apirat Kongsompong ⁽¹⁾⁽⁴⁾ (Since November 14, 2018 until May 3, 2019)	Receiving THB 378,000 for serving on the Board of Directors. Receiving THB 245,565.25 for directors' bonus.
6. General Nattaphon Nakphanit ⁽⁵⁾ (Since May 30, 2019)	Receiving THB 748,000 for serving on the Board of Directors
7. Mr. Philippe G.J.E.O. Damas ⁽⁶⁾	Receiving THB 5,392,800 for serving on the Board of Directors and as Chairman of the Board of Executive Directors and Member of the Nomination, Remuneration and Corporate Governance Committee. Receiving THB 1,473,391.50 for directors' bonus.
8. Mr. Singha Nikornpun	Receiving THB 2,772,000 for serving on the Board of Directors and as Chairman of the Audit Committee. Receiving THB 1,473,391.50 for directors' bonus.
9. Mr. Siripong Sombatsiri ⁽¹⁾ (Until December 16, 2019)	Receiving THB 3,137,800 for serving on the Board of Directors and as Chairman of the Nomination, Remuneration and Corporate Governance Committee, and Member of the Risk Oversight Committee. Receiving THB 1,473,391.50 for directors' bonus.

Name of director	Details
10. Mr. Prinya Hom-anek ⁽⁷⁾ (Since December 17, 2019)	Receiving THB 117,800 for serving on the Board of Directors and as Member of the Audit Committee and Member of the Risk Oversight Committee.
11. Mr. Chumpol Rimsakorn	Receiving THB 4,831,800 for serving on the Board of Directors and as Chairman of the Credit Committee, Member of the Board of Executive Directors and Member of the Nomination, Remuneration and Corporate Governance Committee. Receiving THB 1,473,391.50 for directors' bonus.
12. Mr. Praisun Wongsmith	Receiving THB 1,942,200 for serving on the Board of Directors and as Member of the Audit Committee. Receiving THB 1,473,391.50 for directors' bonus.
13. Mr. Yokporn Tantisawetrat	Receiving THB 3,954,000 for serving on the Board of Directors and as Member of the Board of Executive Directors, Member of the Credit Committee and Member of the Risk Oversight Committee. Receiving THB 1,473,391.50 for directors' bonus.
14. Mr. Christopher John King ⁽¹⁾ (Until December 16, 2019)	Receiving THB 2,439,400 for serving on the Board of Directors and as Member of the Audit Committee and Member of the Nomination, Remuneration and Corporate Governance Committee. Receiving THB 1,473,391.50 for directors' bonus.
15. Mr. Vaughn Nigel Richtor ⁽¹⁾ (Until December 3, 2019)	Receiving THB 2,101,600 for serving on the Board of Directors and as Member of the Board of Executive Directors. Receiving THB 1,473,391.50 for directors' bonus.
16. Ms. Catherine Low Peck Cheng ⁽¹⁾ (Until December 3, 2019)	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of ING Bank N.V.
17. Mr. Teeranun Srihong ⁽⁸⁾ (Since December 17, 2019)	Receiving THB 176,600 for serving on the Board of Directors and as Chairman of the Risk Oversight Committee, Member of the Nomination, Remuneration and Corporate Governance Committee.
18. Mr. Somjate Moosirilert ⁽⁹⁾	Receiving THB 249,400 for serving on the Board of Directors and as Member of the Board of Executive Directors, Member of the Nomination, Remuneration and Corporate Governance Committee.
19. Mr. Michal Jan Szczurek ⁽¹⁰⁾	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of ING Bank N.V.
20. Mr. Piti Tantakasem	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of the Bank.

Remarks:

- ⁽¹⁾ Not currently board member
- ⁽²⁾ Mr. Prasong Poontaneat was appointed as a director and chairman to replace Mr. Rungson Sriworasat effective from June 20, 2018 and he resigned from director and chairman effective from January 1, 2020
- ⁽³⁾ Mr. Suphadej Poonpipat was appointed as a director effective from December 3, 2019.
- ⁽⁴⁾ General Apirat Kongsompong was appointed as a director to replace General Chalermchai Sitthisad effective from November 14, 2018 and resigned from director effective from May 3, 2019.
- ⁽⁵⁾ General Nattaphon Nakphanit was appointed as a director to replace General Apirat Kongsompong effective from May 30, 2019
- ⁽⁶⁾ Mr. Phillippe G.J.E.O. Damas was appointed as a chairman of NRCC to replace Mr. Siripong Sombatsiri effective from December 17, 2019.
- ⁽⁷⁾ Mr. Prinya Hom-anek was appointed as an independent director to replace Mr. Siripong Sombatsiri effective from December 17, 2019.
- ⁽⁸⁾ Mr. Teeranun Srihong was appointed as an independent director to replace Ms. Catherine Low Peck Cheng effective from December 17, 2019.
- ⁽⁹⁾ Mr. Somjate Moosirilert was appointed as director effective from December 3, 2019.
- ⁽¹⁰⁾ Mr. Michal Jan Szczurek was appointed as a director to replace Mr. Vaughn Nigel Richtor effective from December 17, 2019.

Other remuneration and benefits

No other benefits

8.6.2 Remuneration for Executive Officers

During the fiscal year ended December 31, 2019, the Bank's 26 executives as defined by the Bank and align with definition of SEC received remuneration in a total amount of THB 252 million, consisting of salary, bonus, provident fund and other benefits. ("executives as defined by the Bank and align with definition of SEC" refer to manager or the next four executives succeeding the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance department and staff who may know the financial information before public).

8.7 Personnel**8.7.1 Number of Employees**

As of December 31, 2019, the Bank has a total number of 8,135 employees

The Bank's employees broken down by group as follows

Group	2019 No. of employees (persons)
Chief Executive Officer	473
Chief Wholesale Banking Officer	715
Chief SME Banking Officer	493
Chief Retail Banking Officer	4,610
Chief Risk Officer	410
Chief Financial Officer	172
Chief Operating Officer	1,262
Total	8,135

Staff's total number during the past three years

Bank's employees	As of December 31, 2017	As of December 31, 2018	As of December 31, 2019
Total number	8,547 persons	8,373 persons	8,135 persons

8.7.2 Key labor disputes

As of December 31, 2019

Type of case	No. of cases	Status
1. Lawsuit brought by the Bank against employees	1	Cases are under the Court's proceedings.
1.1 Violated Employment Contract	1	
- Case not yet finalized	1	
- Case finalized	-	
2. Lawsuit brought by employees against the Bank	21	Cases are under the Court's proceedings.
2.1 Unfair termination of employment	20	
- Case not yet finalized	5	
- Case finalized	15	
2.2 Request for adjust the performance evaluation	1	Cases are under the Court's proceedings.
- Cannot yet finalized	1	
- Case finalized	-	

Staff's compensation

The Bank is well aware that employees are its valued resources and key contributors towards its success and achievement. Therefore, the Bank gives priority to the boosting of the employees' morale and ensure that they receive compensation based on their performance, skills and competence, as well as other welfare and benefits that are reasonable, fair and comparable to other financial institutions'.

Total compensation and types of compensation for employees

The Bank has compensation scheme in the form of base salary and variable pay depending on the business achievement. The industry benchmarking is conducted among financial institutions to ensure the competitiveness. The Bank has continued to review and update the information to ensure proper compensation package including the required working tools to be aligned with the scope of work and responsibilities, regardless of the corporate title or ranking. Corporate operational risk is also taken into consideration for total compensation. The overall compensation scheme is designed to drive the "Pay for Performance" culture depending on the performance of the Bank and employees.

In 2019, total compensation for the employees given in the forms of salary, cost of living allowance, other allowance that related to work, variable pay by performance and others accounted for THB 8,015 million.

Other subsidies

The Bank provides other forms of subsidies to employees on several occasions, e.g. grants for staff's wedding, child's birth, ordination, Islamic pilgrimage, and scholarship for staff's children. The Bank also grants gratuity to the employees in case they themselves or any of their family members have passed away.

Provident fund

The Bank and Employees have jointly established The Registered Provident Fund of TMB Bank Public Company Limited which is managed by The Board of Directors of The Registered Provident Fund of TMB Bank Public Company Limited that comprised of employers, which come from the appointment and employees which come from the election from the member. The fund is managed with Employee's Choice which contribution at 5% - 10% of the staff's salary is paid by the Bank into the Fund and The Bank's employee may choose to pay their own portion into the Fund at the rate of 2% - 15% of their salary.

Other welfares and fringe benefits

Medical care - The Bank provides medical services to staff through health insurance company with efficient and convenient service standards, and cover dental treatment. The Bank also provides annual health checkup for all levels of staffs in term of health preventive care. Since 2016 the medical check-up program was properly provided by considering the range of ages and risk opportunity that might occur from work environment in some functions. The Bank also provides in-house medical clinic at the Head Office and its office at AIA Capital Center Building with specialized physicians to give medical treatment and health consultancy, with a few beds for sick staffs and initial medical care during the work hours.

Group life insurance, severe diseases insurance, personal accident insurance, and medical financial support for accident from work -The Bank provides options for staffs to choose the health insurance program to suit with their needs. These insurance programs are aimed at strengthening the employees' security while working with the Bank. The insurance is also covered 24 hours for both working hours and over time. Including the preparation of life insurance to staffs who work in areas including four most risky southern provinces namely Yala, Pattani, Narathiwat and Songkhla, as well as the medical financial support in case of accident that might be occurred from work.

Welfare loans – The Bank has been providing staff welfare loans that are referred to processes and product which are provided to customers, as well as encourage employees to adhere to the financial discipline. Besides, emergency loan is provided to ease staff's difficulty.

Employee activities – The Bank supports a wide range of clubs and activities for employees based on their own interests. These allow employees to relax and enjoy recreational activities together, creating work life balance and happiness in the workplace.

Canteen– The Bank has provided the canteen at its Head Office where employees can enjoy quality food and drinks in a low price and nice environment.

Fitness – The Bank supports and provides a fitness facility at head office, this will help to improve their health and well-being and promote a healthy workplace.

Recreation – The Bank provides the facilities for employee's convenience during the break, this will allow the employee to recharge and perform more efficiently

Human Resources Development with the Business Plan Alignment

Training roadmap for the Bank's staffs has been designed to strengthen Core and Leadership Competency for our people. We customized training contents and topics to fit staff and executive at all levels through analyzing key behaviors and skills required for the Bank's employees at different proficiency levels. Detail of the training is disclosed in Sustainability Report.

9. Corporate Governance**9.1 Corporate Governance Policy**

The Board of Directors is well aware of the importance and benefits of good Corporate Governance and thereby set out the Corporate Governance Policy as written guideline since 2006. The Corporate Governance Policy has also been posted on the Bank's website for information of the Bank's employees and for public. The Board of Directors has ensured strict and on-going compliance by the employees.

Since 2017, Board of Directors has reviewed the Bank Corporate Governance Policy and applied SEC's Corporate Governance Code for Listed Companies 2017. SEC Corporate Governance Code is revised base on 2012 SET Good Corporate Governance of the listed company, the key updated areas are related to the Board of Director's responsibilities in each business flow as well as new changes factors align with Corporate Governance Code for Listed Companies. In this regard, the bank business to be comply with the good corporate governance and international standard, proper conduct the Bank business with efficiency, integrity, absence of fraud and corruption, transparency and accountability to enhance confidence of shareholders, investors, stakeholders, society and all related parties.

In 2019, Bank's Corporate Governance Policy has been considered to be revised comply with SEC's Corporate Governance Code by applying SEC's Corporate Governance Code for Listed Companies 2017, and aligning to the updated banking industry code of conduct, aiming at its coverage align with the change in corporate governance development (Detail is indicated in topic "Other Corporate Governance Practice") to ensure that the policy is aligned with the international standard and best practice as following.

Part 1 Rights of shareholders

The Bank places importance on protection of the rights of the shareholders and encourages the shareholders to fully exercise their rights. This covers the shareholders' basic rights, i.e. sale/purchase or transfer of shares, business profit sharing, receipt of relevant and adequate information of the Bank. The shareholders are also encouraged to exercise their rights to attend the shareholders' meeting and vote on appointment or discharge of directors, appointment of auditor and on other issues affecting the Bank such as dividend allocation, capital increase/decrease, approval of connected transactions, and determination or adjustment of Articles of Association and Memorandum of Association, etc. In this regard, the Bank shall not commit any conduct infringing or undermining shareholders' rights.

Annual General Meeting of Shareholders

The Bank has policy to encourage all groups of shareholders including minority shareholders, institutional shareholders, and foreign shareholders to attend the annual general meeting of shareholders. In 2019, the Annual General Meeting of Shareholders was held at 14.00 hrs. on Friday, April 12, 2019, at the Auditorium, 7th Floor, TMB Head Office, 3000 Phahon Yothin Road, Chom Phon, Chatuchak, Bangkok. The date, time and venue of the Annual

General Meeting of Shareholders were set taking into account mainly the convenience of the shareholders. The meeting procedures conformed to the good corporate governance principles as summarized below:

Before the Meeting Date

For the 2019 Annual General Meeting of Shareholders, the shareholders were informed of the date and agenda of the meeting via SET's communication system on March 8, 2019 or 35 days prior to the meeting date. The Bank also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Bank's website (www.tmbbank.com) in the section "Investor Relations" under the title of "Annual General Meeting of Shareholders" on March 8, 2019 or 35 days prior to the meeting date to enable the shareholders to have sufficient time to study the information. The Bank also assigned its registrar, Thailand Securities Depository Co., Ltd. (TSD), to deliver the said documents in printed copies to the shareholders 21 days before the meeting date, which was align with policy and longer than the legal requirement.

The invitation letter contained objectives and rationale as well as the opinions of the Board of Directors on each agenda item, accompanied by complete and sufficient details of each item for consideration. The shareholders were clearly informed which item would be for consideration and which one for acknowledgement. Moreover, in the invitation letter, the shareholders were informed of the details regarding necessary evidence documents to be brought to the meeting as well as meeting procedure, voting rules with a QR Code of the Bank's annual report (the shareholders can request for the annual report in printed form) and other relevant information attached thereto. In addition, the invitation letter was also published in the newspaper for 3 consecutive days in accordance with the law.

A proxy form was also enclosed to allow the shareholders to appoint any independent directors or other persons as their proxies in case they could not attend the meeting. A foreign shareholder who has appointed a custodian in Thailand to be share depository and trustee has to use the Proxy Form C. which can be printed from the Bank's website.

For convenience of registration, the Bank coordinated with institutional investors on preparation of proxy prior to the meeting date.

On the Meeting Date

The meeting was carried out with transparency, fairness, and equitable treatment of all shareholders. Appropriate registration procedure was prepared by the Bank, with facilities provided by Bank staff, classified by type of attendees, i.e. shareholders attending in person and proxies attending on shareholders' behalf. The barcode system was used to ensure rapid and accurate registration procedure. Voting card was available for each attendee to vote on each item of the agenda. Moreover, the Bank also provided shuttle bus service at various spots and sufficient parking space to serve the shareholders.

Before starting the meeting, the Chairman assigned the Company Secretary to clearly inform the meeting of the voting and counting methods. For more convenience of foreign shareholders, a simultaneous English translation was provided by the Bank's staff. In this regard, the shareholders' rights to study the Bank's information memorandum would not be undermined, such as no abrupt distribution of additional document with key information during the meeting, no addition of new items on the agenda or change in the key information without prior notice to the shareholders, no prohibition of meeting attendance of late attendees, and so on.

During the meeting, the Chairman proceeded with the meeting in order of the items on the agenda. The Chairman also encouraged the shareholders to cast votes and raise questions and comments. Importance was given to all the recommendations or comments made by the shareholders, with all questions comprehensively clarified and all useful suggestions brought into account.

The vote casting and vote counting were undertaken openly and transparently. Weerawong, Chinnavat and Partners Ltd., external legal consultant represented by Miss Rapeeporn Suanjampa, and volunteers for shareholders, namely Mr. Phakanit Jansawang and Mrs. Anchalee Vajraphai, were invited to be inspectors of the voting method, collection of ballots, counting and the voting results on all agenda items. The Company Secretary announced the voting result of all agenda items.

The meeting minutes and detailed votes on all items, as well as essence of shareholders' inquiries, clarifications of the Board of Directors & CEO and resolutions were recorded completely and accurately by the Company Secretary.

After the Meeting

After the meeting, resolutions of the meeting were disclosed via the SET system on Friday, April 12, 2019, at 20.34 hrs. with voting details, i.e. approved, disapproved and abstain, of each agenda item. Minutes of the meeting which contained complete details including attendance record of the directors, clarification on key items, summary of questions, answers and comments during the meeting were submitted to the SET and related agencies within 14 days after the meeting date, and posted on the Bank's website (www.tmbbank.com), both Thai and English version, for verification by the shareholders. The Bank also arranged systematic filing for the minutes of the shareholders' meeting.

Furthermore, the Bank provided a video recording of the meeting in DVD format for the shareholders who could not attend the meeting. Interested shareholders can contact the Bank for details.

Part 2 Equitable Treatment of Shareholders

The Bank places importance on and assures all shareholders of their rights to fair and equitable treatment, i.e. major shareholders, minority shareholders, institutional investors, and foreign shareholders. All shareholders are treated with fairness and equality as summarized below:

Rights to purchase, sale, or transfer the Bank's shares

Thailand Securities Depository Co., Ltd. (TSD) has been appointed as the Bank's registrar to facilitate all services for all transactions related to registration of the Bank's shares, namely sale/purchase or transfer of shares.

Rights to profit sharing

The Bank allocates profit to its shareholders in form of dividend payment also interim dividend payment, taking into account sustainable long-term growth built upon the Bank's full potential and capability. The dividend payment is also in line with the capital adequacy, reserve allocation and conditions of relevant laws, timeframe of dividend and interim dividend payment as well as the detail of dividend payment and dividend amount was disclosed for the shareholders acknowledgement via SET system.

Rights to regularly and timely obtain adequate information on business performance

The Bank ensures that the shareholders are provided with complete news and information apart from those disclosed via the SET's communication system. All significant and updated information are posted on the Bank's website (www.tmbbank.com).

Rights to attend the shareholders' meeting

All shareholders have equitable right to attend the meeting. Opportunity is opened to those who are unable to attend the meeting in person to appoint proxies to attend at the meeting on their behalf. The Bank has arranged to have available for appointment as proxies its directors/ independent directors who do not have interests in the business on the agenda.

Right to vote at the shareholders' meeting

At each meeting of shareholders, the Bank specifies that the rights to vote shall be accordance with the amount of shares held by the shareholders, with one share equivalent to one vote. The vote counting will be carried out openly and accurately. The majority votes will be considered as the resolution except for special resolutions of certain cases set forth by the laws requiring the votes of at least three-fourths of the votes of all the shareholders attending the meeting and having the rights to vote. With regards to the voting method, the shareholders can vote to agree, not agree, or abstain from on each agenda in the voting card.

The Bank collects the voting cards from the shareholders on every agenda item that needs to be voted for resolution. The shareholders shall be requested to mark the voting cards, according to their own opinions, indicating whether to not approve or abstain on each agenda.

The barcode system is used for vote counting to facilitate fast and accurate process. The Bank will notify the shareholders of the voting result on every item once the counting is finished, divided into approval votes, dissenting votes and abstentions, as well as invalid ballots. The resolutions of the meeting according to the voting result on each item will be recorded in writing and all ballots will be kept for further examination.

Right to Propose Agenda, Director Nominees, and Question for AGM by Minority

The Bank allows the shareholders to propose agenda items and nominate persons to be elected as directors in advance, as well as allows the shareholder to propose Question for AGM in advance. The shareholders must comply with criteria specified by the Bank. At the 2019 Annual General Meeting of Shareholders, the Bank allowed the minority shareholders to propose agenda items and nominate persons to be elected as directors 3 months in advance, prior to the ending date of the fiscal year or from October 1 onwards. Details, procedures and methods of the proposal and nomination were provided on the Bank's website (www.tmbbank.com) in "Investor Relations" section under the title of "Propose Agenda, Director Nominees, and Question for AGM by Minority" and to notify via the SET system.

Right to appoint directors individually and determine directors' remuneration

At every Annual General Meeting of Shareholders, one-third of the total number of the directors of the Bank shall retire. The Bank has set an agenda item concerning election of the Bank's directors. The shareholders are allowed to vote for election of individual directors. The shareholders have the right to choose the person (s) that they deem having proper qualifications to perform duties as directors so as to safeguard the shareholders' interests. This will enable the Bank to have directors from diversified fields to represent the shareholders. Detail of qualified person such as name, age, education, experience, position in other listed companies, type of directorship, number of attendant, tenor of directorship etc. would be disclosed for the shareholders' consideration via the invitation letter for such agenda.

In addition, the shareholders have the rights to consider and approve the directors' remuneration. Adequate information on directors' remuneration is also provided to support the shareholders' consideration.

Right to appoint Auditors and determine audit fees

At every Annual General Meeting of Shareholders, the Bank has set an agenda on appointment of the Bank's auditors and consideration of the audit fees. The Bank also provides sufficient details of the proposed auditors and audit fees for consideration of the shareholders.

Part 3 Role of Stakeholders

The Bank gives priority to equal treatment to all stakeholders to ensure they fully enjoy their rights with fairness and appropriate treatment. The Bank puts in place the system to handle customers' complaints and resolve their problems with prudence and fairness. Customer Centricity is the core working principle for all TMB staff. It underlines the bank's ability to understand and gain deeper insight into customer needs and drives the entire TMB team in finding better answers for our customers. Customer information shall be kept confidential and conditions under the agreements made with business partners shall be strictly complied. The Bank's business operations shall be based on fair, free from corruption and ethical competition. All employees shall be treated fairly and equally. Training shall be provided to enhance staff's knowledge, capacity, potential and efficiency and job rotation opportunity shall be offered to increase their performance efficiency. Bank continuously develops employees' capability in long-term by offering development programs for all levels of employees. The Bank shall determine fair compensation scheme which is

comparable to that of similar industry. The Bank shall also promote corporate governance culture within the organization.

In addition, the Bank has the measures to compensate for the damage of stakeholders concerning legal injury of stakeholders by the Bank.

In 2019, the Bank reviewed the laid down relevant policies in 17 areas for all stakeholders as follows:

Policy for Shareholders

The Bank has policy to protect interest of shareholders and equitable treatment of all shareholders including major shareholders, minority shareholders, institutional investors and foreign shareholders, e.g. right to attend and vote at the shareholders' meeting, right to express their opinion independently at the shareholders' meeting, right to propose agenda items and nominate persons to be elected as directors in advance, right to profit sharing, and right to completely, transparently, regularly and timely obtain adequate information on business performance.

The Bank's guidelines for shareholders

The Bank ensure that business operation is transparent and free from corruption, taking into account sustainable and long-term growth based on the Bank's full potential and capability. This is to enhance the Bank's value in terms of both share price and attractive dividend payment.

Policy for Employees

The Bank supports and develops capability of employees for highest performance capacity. The employment shall be fair and appropriate for employees with career advancement opportunities and returns that reflect their ability. The Bank shall welcome employees' opinions and promote team work spirit. Employees shall be treated with politeness and their individuality shall be respected no double standard criteria. The Bank shall provide good welfare and good work environment and standard with occupational safety standard and shall concern for all employees' well-being. Consideration of employment, promotion, rotation, and punishment of employees shall be based on fair treatment. In addition, the Bank provides plan to use human resources for the Bank's optimum benefits.

The Bank's guidelines for employees

The Bank shall provide good benefits and favorable work environment by determining occupational health and safety standard and assure comprehensive well-being of all employees. For instance, nurse(s) are stationed at the infirmary every day at the Bank's office building and its office at AIA Capital Center Building, and doctor is available for treatment of ill employees. The Bank also provides medical treatment welfare for employees (in case of out-patient) who are treated at government and private hospitals. The employees are entitled to the annual medical treatment fee according to their level. Annual health check-up and provident fund (employee's choice) to secure their career as well as group life insurance, group health insurance (in case of accident), personal accident insurance, and health and accident insurance while traveling for the Bank's business are also provided. The Bank offers loans to help alleviate employees' difficulties, i.e. staff welfare loans, etc.

The Bank has the internal procedures which align with the human right principal and Audit Committee has the regular report for oversight on thus relevant control procedures. Detail of Human right policy was disclosed via the bank's website. (www.tmbbank.com)

The Bank has established a Safety, Occupational Health and Working Environment Committee and appointed a safety officer to work in accordance with the rules and procedures prescribed by the law to comply with the Safety Act. Occupational Health and Working Environment

In addition, the Bank continuously develops employees' capability by offering development programs for all levels of employees. In order to prepare the employee's readiness for the business goal and strategy, the bank provide the internal training course such as the market conduct, data security etc. Training program are classified many parts such as bank's business, professional area, and leadership & co-working through classroom training, digital training (E-Learning) and external training. In addition, the Bank places importance on Anti- Corruption, the Bank provides training programs on policy and guideline of Anti-Corruption for employees by setting of classroom training for new employees and providing of digital training (E-Learning) for employees on yearly basis as the mandatory training course of the bank.

Policy for Customers

The Bank has policy to apply customer centricity strategy in its business operations to provide the customers with diversified services and products that can well respond to their needs and to create maximum customer satisfaction and to create maximum customer satisfaction.

The Bank's guidelines for customers

The Bank has cultivated organizational culture "TMB WAY" comprising 5 core values namely Customer Centricity, Open Communication, High Performance, Risk Management and Integrity to all employees for encouraging employees emphasizes on Customer Centricity, working of the same direction, and clearly understanding of customer behavior.

TMB continues to develop process and enhance operational efficiency. TMB has employed SMART Tools such as mobile tablet which provides staff more mobility and flexibility serve customers. Which such a tool, staffs can instantly offer products and service that meet customers' need at customers' site.

The Asian Banker Thailand Award 2019 announced that the Bank received Best Innovation Centre by Financial Institution Award as a result of implementing of AI for the system processing in order to deliver the individual customer's good understanding and experience.

In addition, the Bank has in place the work unit in charge of providing consultation on products, services, solutions to problems, and receiving customer complaints. This assures the customers of the Bank's confidentiality policy and that their information is treated as strictly confidential without disclosure or misuse for personal benefits. The policy and procedure as well as the customer's information security system and the market conduct policy which align with the business plan and current technology.

Policy for Business Partners

The Bank operates business operation with partners sustainably and in long term and as good business alliances. The Bank has criteria for partner treatment, for example, in term of procurement, employment, leasing and high purchase. Qualified business partners are included in the Vendor List and price comparison is carried out before any procurement, employment, leasing and hire purchase. In addition, The Bank carefully and strictly complies with the criteria for fairness to all parties and transparent, free from corruption, auditable practice so as to maximize mutual benefits.

The Bank's guidelines for business partners:

The Bank establish Procurement policy that sets out the criteria for selecting partners who incorporate the social and environmental issues as their consideration, this also including human rights issues. The Bank also conducts risk assessment and internal control procedures through Risk Control Self-Assessment (RCSA) process. Key Control testing is regular perform after RCSA processes.

The Bank has set out guidelines for employees responsible for procurement, employment, leasing and hire purchase as follows:

1. Procurement officers and those related to procurement process shall perform duty impartially, honestly, independently and transparently regarding contact and coordination with suppliers, The supplier list and information related to the bidding shall not be disclosed to other parties except for the public information of the supplier.

2. Procurement officers and relevant persons, including their direct family members, who have direct or indirect interest with procurement and employment, for example, employee, director, partner or advisor of the sale company, shall not participate in considering the specific procurement whether there is remuneration or not. The Bank has provided the in-house training regarding NO GIFTS POLICY to encourage the transparency.

3. Procurement officers and relevant persons, including their direct family members, should not be the one borrowing from or lending to the existing suppliers or suppliers who are making an offer to the Bank.

4. Procurement officers and persons related to procurement shall prepare self-declaration when the person related to procurement receives is considered under the selection process. This is to promote the transparency and avoid any conflicts of interest or corruption issues.

The Bank's guidelines for selection partners:

For selection partners, the Bank will not select partners who is broker but the Bank will select partner who are manufacturer, distributors, or distributing agent that there are goods itself as well as consider other important factors including type of goods or services, expertise and experience of business, financial status, history of business, faithfulness and experience of executive management, and information of goods' safety.

1. Selection process involve in the due diligence and KYC shall ensure that all candidates have the complete qualifications and the bank shall review and screen the supplier list regularly every 6 months to ensure that the bank has the proper supplier list with the good record according to the bank policy especially the Anti-Corruption and align with the Collective Action Coalition: CAC.

2. The bank also screens the supplier to ensure no conflict of interest issue between the supplies as well as the bank's officer.
3. The procurement committee is appointed to validate the supplier at a specified value of the transaction. The committee also certified the supplier selection is transparent arranged. The supplier contract is usually review by Legal department for fairness of both the bank and the suppliers.

Policy for Creditors

The Bank has policy to honor and strictly conform to contact and commitment with creditor includes condition, guarantee, cash management, not default of debt, and other matter that has made agreement with creditors. Loan and interest repayment are completely and timely made to all creditors. Loan condition are rigorously complied with and no misuse of the loans is allowed.

The Bank's guidelines for creditors:

The Bank shall operate business based on its full potential and capability to build creditors' confidence in the Bank's good financial status and debt service capacity. Balance Sheet Management also prepare the accurate financial status and financial information and report to the creditors with loyalty all along. In addition, the Bank operates efficient cash management to ensure that financial status of the Bank is stable and strong as well as good liquidity management to be in order payment debts to creditors timely.

Policy for Competitors

The Bank has code of conduct and policy to conduct business based on fair and free competition with honesty and integrity as well as fairness for services providing to the customers and rejection of corruption in all its forms, and not to damage, sabotage, destroy or restrict the business of the competitors.

The Bank's guidelines for competitors:

The Bank shall offer the products and services which suit for the customer's needs based on the fair treatment, the customers also freely select their satisfied product and services. The Bank shall not engage in any dishonest or inappropriate action in order to obtain the competitors' confidential information and shall refrain from attacking the competitors' reputation with false allegations.

Policy for Investors

The Bank shall disclose correct, complete and sufficient information for investors' decision in a timely and appropriate manner.

The Bank's guidelines for investors:

See more details in "Disclosure and Transparency".

Policy for Government Agencies

The Bank has policy to conduct its business to ensure strict compliance with the laws, rules and regulations and relevant regulatory requirements, in addition the employee would be communicated on such regulations for their

strict implementation, the Bank also provide good cooperation to the regulators such as to comply with the national anti-corruption law, etc.

Policy on Social and Environmental Responsibility

The Bank introduce "Hackathon project" in order to encourage the staff for innovative thinking which will create the new product and service for serving the community and environment. One outcome from this project such as Ultimate All Free was launched for providing the customer more convenient and reduce their cost of transportation to the branch office. The customer could exchange their foreign currency via debit their account through the mobile phone.

The Bank operates its business as well as encourage the employee's awareness based on Corporate Social Responsibility (CSR) principles, supporting various activities to promote sustainable quality development of the society and environment such as lending to the green environment project, energy saving project in TMB building. The Bank provides credit lending support to projects aimed at preserving the natural environment under the IFC Green Bond program. The Bank sets the Environment & Social Responsibility (ESR Policy) policy as a guideline for considering credit to any entities who having their activities with affects society and the environment. The bank will not provide loans to businesses that do not comply with the Bank's policy. The Bank also builds good relationships with the communities in which the Bank operates and allocates budget from its income to implement CSR activities according to the policy.

Policy on Compliance with International Human Rights Principle

The Bank places importance on equality of all stakeholders and shall not commit any conduct that violates human rights, including discrimination on grounds of the difference in origin, race, language, age, education, institution, gender, disability, physical or health condition, personal status, economic or social standing. These practical policies have been specified in the Code of Conduct of the Bank. The Bank determines hiring of any persons based on fair employment and respect human rights by considering from a person's caliber, the bank proceed appropriate compensation according to the position structure as well as market rate.

The Bank's guidelines for violation of human rights

All employees must treat all stakeholders with politeness, respect and honor, not behave inappropriately or violation of human rights regarding discriminate via verbal, ground of the difference in origin, race, religion, language, age, education, gender, disability, physical or health condition, personal status, and economic or social standing.

Policy on Non-Violation Against Intellectual Property Rights or Copyrights

The Bank operates its business without violating or exploiting copyrighted works or intellectual property, unless legal permission is granted by the copyright owners. The Bank has specified the policy on usage of information technology system and software program of the employee shall be inspected to prevent any usage of piracy software and software which is unrelated to work.

The Bank's guidelines on non-violation against intellectual property rights or copyrights:

In aspect of information technology, system development, procurement of IT program and equipment, the Bank complies with the Copyright Act and supports the legal protection of the Department of Intellectual Property. The Bank also welcomes inspection by the copyright owner. In addition, the Bank ensures that the employees do not, either in part or whole, copy, modify or publicize the copy or original material. Programs which are not licensed to the Bank/ .exe file/ songs/ games/ and other links to automatic installation are prohibited.

Anti-Fraud Policy, and Gift ,Entertainment , Donation and Sponsorship Policy

The Bank emphasizes on prevention and suppression of fraud, bribery, and corruption within the Bank. The Bank sets out policies, standards and procedures with strict measures for fraud and corruption detection in order to reduce fraud and corruption-related losses and to enhance efficiency and effectiveness in fraud prevention and suppression within the Bank.

The Bank provides preventive measures prohibiting an outsider to use the Bank to commit illegal actions as well as measures protecting persons who deny corruption or make complaints on fraud, corruption, and bribe from harassment, harm, penalty, demotion or threats such as Anti- Fraud Policy, TMB Anti-Money Laundering/Combating of Financing Terrorism (AML/ FTC) Policy, etc.

The Bank places importance on anti-bribery for the Bank's business benefits or anti-bribery in any business agreement with government and private organizations. The Bank also determines Gift ,Entertainment , Donation and Sponsorship Policy for use as guideline by the employees. The bank shall not accept gifts or endorsements, while any providing gifts or entertainment shall be arranged according to the context of business with the clear guideline, on necessary or traditions practices.

The Bank's guidelines on anti-fraud, gift & anti-bribery:

All employees must report the received gift or the entertainment transaction if such transaction is unable to be rejected according to Gift, Entertainment, Donation and Sponsorship Policy.

In addition, all employees must attend the training course with respect to AML/CFT, Anti-Fraud every year in order to aware their responsibility in prevent any fraud or bribery in the Bank.

Policy on Whistle Blowing or Complaints

The Bank has whistle blowing policy and guideline for employees and all stakeholders' complaints to ensure that all stakeholders are able to communicate, report, or complain about improper actions such as violations of laws and regulations, misconduct and unethical behaviors, embezzlement, frauds, corruption, violation of rights, and any matter that lead to the Bank's damage.

The Bank provides channels to enable the stakeholders to report or make complaints either in writing or through the Bank's website. Policies and procedures are in place to ensure that the complaints will be forwarded to the concerned work units for quick investigation and correction as well as reporting to the Audit Committee or Chairman of the Board of Director for acknowledgement. The whistleblowers will be notified of the Bank's action.

In addition, the Bank has measures to protect whistleblowers from harassment, harm, penalty, demotion or threats from the whistle blowing.

The Bank's guidelines on Whistle Blowing or Complaints:

Bank provides the channel for the stakeholder to report any violation or complaint case either written via email or the bank's website. The reporter will be protected from harassment, harm, penalty, demotion or threats from the whistle blowing. Compliance monitor the corrective actions regarding complaint cases to ensure that the actions were rapidly processed.

Policy on Management of Conflict of Interest

The Bank imposes strict measures on management of conflict of interest or related transaction or connected transaction. The important transactions that may pose a conflict of interest are considered and approved by the Board of Directors and in accordance with the rules and regulations of the related agencies. These transactions are treated in the same manner as those made with the outsiders (an arm's length basis) and the stakeholders shall not participate in the approval process.

The Bank has policy on transactions with persons who having conflict of interest for directors, employees in order to treat such transactions with fairness, transparency and in accordance with the relevant regulatory requirement. The Bank also discloses accurate and complete information on such transactions in Form 56-1 and annual report.

Furthermore, at the Board of Directors' meeting, directors shall inform the Board of their conflict of interest before consideration of such particular agenda item. Such conflicts of interest shall be minutes by Secretary to the Board. The director with conflict of interest shall also abstain from participating in the discussion of such particular agenda item.

The Bank's guidelines on Manage conflict of interest:

All management and employee shall report, avoid, and prevent any conflict of interest issues by informing the management in higher level or the relevant party regarding the beneficial of interest under their areas and they will not participate or attend the meeting for such transaction. The approval or consideration on such transaction shall be conducted by other person or the management in higher level in order to prevent the conflict of interest issue. In addition, directors and managements, under SEC definition, must prepare the disclosure regarding the share equity held in other companies in order to prevent any conflict of interest or misuse of internal information issues.

Policy on Internal Control

The Bank sets out internal control policy for both managing and operational levels and puts in place the efficient, appropriate and adequate internal control systems with regular assessment. The Audit Committee of which all members are the Independent Directors is assigned to oversee the internal control system. The Audit Department, which directly reports to the Audit Committee, has duty to audit performance of all units such as accounting, finance, management to ensure that the operations are in accordance with the related rules, regulations and laws as well as the annual audit plan, and that the benefits of the Bank and the stakeholders are best protected.

Business Ethics and Code of Conduct

The Board of Directors realizes that good practice enables the Bank to conserve and uplift its honor and reputation. The Business Ethics and Code of Conduct, that align with the banking industry code of conduct and the good corporate governance, are thus prepared as guidelines for the directors, executives and employees and both directors, executives and employees has signed off for acknowledgement the code of conduct. The strict compliance which is reflected in their daily work will enhance reliability and trust among the stakeholders.

Anti-Corruption Policy

The Bank give important to operate the Bank with fairness and adhere responsibility for all stakeholders. The Bank operate align with principle of good corporate governance and code of conduct to ensure that the operation' of the Bank is transparency and absent all aspect of corruption. The Bank attained certified membership status in the Private Sector Collective Action Coalition Against Corruption (CAC).

The Bank provides anti-corruption policy in order that directors and employees use to be guideline for operation to ensure that the Bank acts as organization with full transparency. The Bank oversees directors and employees to abide by this policy strictly and also provide penalty to employees in case of violation of the policy as well as provide awareness of the participation and responsibility of the Bank to prevent corruption and also make organization's culture to be a zero-tolerance on anti-corruption. In addition, the Bank has measured to protect and give fairness to employees who deny or inform clue action on corruption from harassment, harm, penalty, demotion or threats.

In addition, the Bank provides risk management process on corruption in Risk & Control Self-Assessment – RCSA process, regular perform on key control testing according to RCSA by business units under 3 Lines of Defense and Market Conduct bank wide, to protect and monitor risk from corruption, monitoring result of assessment from policy's implementation as well as provide training to employees to ensure that they have knowledge on anti-corruption policy and guideline.

See more details in "Anti-Corruption".

The Bank's guidelines on anti-corruption:

Bank communicates to all employees to acknowledge and understand the policy via infahNet every year. The training course regarding Anti-Corruption is set as the mandatory course for everyone which the training is provided via E-learning system. Anti-Corruption course is the mandatory course for new employees. In addition, the Risk & Control Self-Assessment process also incorporate the anti-corruption as one topic for considering the risk mitigation action.

Part 4 Disclosure and Transparency

Disclosure

The Bank's financial and non-financial information relevant to the business and operating results are disclosed in both Thai and English correctly, completely, sufficiently, transparency, and timely, which reflects its actual

business operation and financial status. All stakeholders have equal access to the information. The significant information is disclosed to the public in accordance with the criteria and regulations concerning the disclosure of information of the SET and SEC, and the good corporate governance principles such as to submit the financial report to the SET and SEC within the specified timeframe. The Bank's financial statements did not contain any transactions to which the auditor had qualified opinion. The financial statements have never been revised under the order of the SET and SEC. In addition, the Bank performs Management Discussion and Analysis (MD&A) on a quarterly basis and discloses such information on the Bank's website to inform the investors and enable them to better understand changes in the Bank's financial position and operating results in each quarter. The Bank also discloses remuneration for the directors and executives in Form 56-1 as well as annual report, and the shareholding of the Bank's securities by the directors and executives in Form 56-1 as well as annual report.

Investor Relations

The Bank places importance on management of investor relations, both institutional and individual investors, domestic and overseas, taking into account the quality, correctness, completeness, transparency, adequacy and timeliness of information disclosed to investors, securities analysts, etc. The Bank's management team arranges meetings with investors and securities analysts on a regular basis to present the quarter and annual operating results of the Bank. The management team also regularly participates in seminar and non-deal roadshow with local and foreign investors, including securities analysts both domestic and overseas. This is to build their confidence in the Bank's performance and establish long-term relationship.

The Bank has established Investor Relations unit to correspond and communicate with investors, securities analytics, etc. as well as to provide them with accurate and complete information of the Bank, both financial and general information, in a timely manner and in accordance with the relevant laws or regulations. This is to support the decision-making, create confidence and enhance good image of the Bank. The Bank's Investor Relations could be contacted at Floor 28, TMB Head Office Tel. 02-242-3475, Fax. 02-299-1211, website: <http://www.tmbbank.com/ir> Besides, shareholder services can be contacted at Company Secretariate Office* (*The name of business unit is revised to Company Counselor starting from January 1, 2020) Floor 28, TMB Head Office Tel. 02-299-2729 Fax. 02-299-2758.

In 2019, the Bank provided information to analysts and investors regularly as summarized in the table below:

Types of meeting	Number of meetings	Number of companies	Number of investors
One-on-one meeting	18	23	38
Conference Calls	11	11	14
Analyst Meeting and Group meeting	7	340	396
Live Webcast	6	142	174
Investor Conference and Non-Deal Roadshow	61	316	409
Total	103	832	1,031

The Bank's website

At present, disclosure of information on the website is a fast and convenient way that allows easy and equitable access to information by shareholders and the public. The Bank therefore provides information about the Bank on the its website (www.tmbbank.com) in both languages, Thai and English, in addition to those disclosed in the annual report and Form 56-1. The information can also download.

The Board of Directors' Responsibility for Financial Report

The board has presented responsibilities concerning the company's financial reports alongside the auditor's report in the company's annual report.

Protection against abuse of inside information

The Bank has written policy and guidelines for keeping and preventing abuse of inside information, and information that the Bank not yet disclose to public which significant to change of price or value of share. The Bank has regulation on the use of inside information and also ensure strict compliance to prevent any director, executive or employee in the position or status having opportunity to access to the Bank's inside information or related persons which defined by government agencies from exploiting such information for his/her own benefits or for others' benefits such as trading share before insider information are disclosed to public, using details or confidential information of the Bank/customers to operate business competing with the Bank's/customers' businesses or exploit any benefit from his/her authority and responsibility.

The Bank require that the directors, Chief Executive Officer, Chiefs, Senior Executive Vice President, Executive Vice President or Heads (or equivalent), and Team Heads (or equivalent), in Finance Control, Financial Planning and Analysis, Balance Sheet Management, and other persons defined by Chief Financial Officer shall disclose and report to the Securities and Exchange Commission (SEC) the Bank-issued securities held by them, their spouses and minor children, as well as any changes thereof, such as sale, purchase, transfer or acceptance of transfer of those securities in the report format and within the period of time specified by the SEC.

In addition, the management is required to report on a monthly basis the Bank-issued securities held by directors, management, their spouses, and minor children to the Board for acknowledgement, and to prepare a summary report on any changes of the Bank-issued securities held by directors, management, their spouses, and minor children and disclose such information in the annual report.

Part 5 Responsibilities of the Board of Directors

The Bank requires that the Board of Directors' structure has diversity of necessary experiences, professional skills, expertise and gender. The Board shall contain proper composition of members according to the resolution of annual general meeting. The Board shall also establish a clear scope of responsibilities with balance of management power without allowing any person or group of persons to have unlimited power. For recruitment of directors, the qualification of directors must be aligned with the Bank's strategy. In some case, the Bank recruit's new directors form Director Pool data base. (see item Nomination of independent director and non-executive director)

Composition of the Board of Directors

The Board shall comprise non-executive directors, executive directors and independent directors. The independent directors shall have at least the number set by the Capital Market Supervisory Board. Each independent director must have qualifications as prescribed by the Bank which are more stringent than the criteria set by the Capital Market Supervisory Board.

The Board of Directors consists of 13 directors who have knowledge, experience, professional skill, and expertise in diversified fields as follows:

- a) 4 Independent Directors, 1 independent director is under nomination process,
(one-third of the total number of directors)*
- b) 8 Non-Executive Directors
- c) 1 Executive Director

The shareholders can be assured that the directors as representatives of the shareholders could perform their duty independently and there is appropriate balance of power.

**According to Securities and Exchange Commission Requirement*

Board Meeting

The Board meeting shall be held at least once a month. In an urgent case, the Board may arrange a special meeting as deemed necessary. The meeting date shall be scheduled in advance so that the Board members are able to plan the attendance of every meeting. The meeting agenda shall be endorsed by the Chief Executive Officer and approved by the Board Chairman.

The Bank sends the meeting documents and invitation letter to directors at least 5 business days in advance so that the directors will have sufficient time to study and consider in advance the information to support their decision making on each agenda. The directors can additionally request necessary information regarding the meeting agenda from the management. The average length of the meeting is approximately 3 hours. The Chairman shall declare the meeting open and proceed with the business on the agenda. The time shall be adequately allocated for the management to present the information and for the Board members to make careful consideration before decision making. The voting of each agenda, the Board almost pass unanimously. The Chairman shall summarize issues as the meeting resolution. Directors who have conflict of interest on that agenda shall leave the meeting and shall have no right to vote.

The Board Secretary is responsible for preparation of written minutes of the meeting, arrangement of systematic filing for inspection and submission of the minutes to the government agencies within the specified period. See more detail of the meeting attendance of the Board of Directors and board committee members in "*Board of Directors' meeting*".

In 2019 Directors in Board of Directors had attend the meeting by average at 92% of the total meetings arranged during the year, in the meeting all directors had participated and provided the useful recommendation for the bank business.

Non-Executive Directors and Independent Directors' Meeting (without Executive Directors)

Non-executive directors and independent directors shall arrange meeting without presence of the executive directors to consider and discuss important issues. Normally the meeting shall be arranged after the Board of Director's meeting. The meeting among the independent director, and meeting among the non-executive director was arranged in July 23, 2019.

In addition, the meeting between Audit Committee Chairman and Risk Oversight Committee Chairman for discussion the efficiency of the risk management was also arranged on May 21, 2019.

Segregation of Duties and Balance of Power of Non-Executive Directors

Chairman of the Board of Directors, and Chief Executive Officer shall not be the same person to prevent any person or group of persons to have unlimited power and to ensure balance of power. The Chairman of the Board of Directors shall not serve in any position of the committees.

Segregation of Duties, Roles, and Responsibilities between the Board of Directors and Executive

Member of the Board (except the executive directors) shall not be the Bank's staff and shall not involve in normal daily executive activities of the Bank. The Board of Directors has the Charter or the Corporate Governance Policy which indicate the authority, role, and responsibility of the Board of Director that specified the framework of role that will be referred when supervision.

Terms of Directorship

The terms of directorship shall be in accordance with Clause 17 of the Bank's Article of Association which states that at each annual general shareholders' meeting, at least one third of the directors shall retire. Should the total number of directors cannot be divided exactly by 3, the number of directors closest to the 1/3 ratio shall apply. Retiring directors may be re-elected.

Term of directorship for independent director was indicated in the bank policy that each independent director shall have term of directorship not longer than 9 consecutive years starting from the appointed date. If any independent director has its term of directorship for 9 consecutive years, he or she is required to retire for at least 2 years prior to be re-elected as independent director. (see item: Independent director and director nomination criteria)

Role Assumption of Directorship in Other Companies

To ensure that the directors have adequate time to perform their duties for the Bank, the Board limits directors from assuming a position in other companies as per regulations of the SET, the SEC and the Bank of Thailand, taking into account the effectiveness of the directors assuming position in companies. Details are as follows:

1. A director of the Bank may assume directorship in not more than 5 listed companies * (both domestic and offshore).

2. Directors of the Bank are able to assume a position or several positions, including chairman of the board, executive director, or an authorized signatory director in other companies in not more than 3 business groups (both domestic and offshore). A company that is not a part of a business group shall be treated as one business group.

3. Directors shall disclose the information regarding assumption of directorship in other companies to the Bank as per regulatory requirements and the Bank's regulation.

Remarks * included TMB i.e. TMB and other four listed companies.

Assumption of Position in Other Companies by Chief Executive Officer

The Chief Executive Officer of the Bank shall perform full-time duties for the Bank. An assumption by the Chief Executive Officer of any position in other companies or organization shall require approval by the Board.

Roles and Responsibilities of Chairman of the Board of Directors

The chairman is responsible for leading the board. The chairman's duties should at least cover the following matters

(1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the company's objectives.

(2) Ensure that all directors contribute to the company's ethical culture and good corporate governance, joint consider with Chief Executive Officer in determine the board of director's meeting agenda and oversee that significant issues were incorporated in the agenda.

(3) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

Chairman shall be chairperson in the board of director meeting and the bank's shareholders' meeting.

Chairman of the Board of Director is non-executive director which in line with the Corporate Governance Notification which stated that Chairman could be independent director or non-executive director.

Roles and Responsibilities of Chief Executive Officer

The Chief Executive Officer's principal duties are to implement the Bank's strategies, plan, and ensure the smooth functioning of the Bank according to the policies set by the Board. The Chief Executive Officer has ultimate responsibility for the performance of the Bank.

Directors' Remuneration

The Board has fairly set the directors' remuneration criteria, compositions and amounts based on Fiduciary Duty at appropriate level. In addition, the directors' remuneration shall be in accordance with accountability and responsibility of the directors compared with the companies in the listed companies as well as the companies in the same industry and similar size. See more details in "Directors' Remuneration".

Directors' Bonus

The Board has important role in policy's setting, oversee the Bank's performance, and there are strong and sustain performance. The Board fairly set the directors' bonus in proper rate and consistent with the Bank's performance as well as comparable to that of the industry in which the Bank operates. The Nomination, Remuneration and Corporate Governance shall consider the directors' bonus, and then propose it to the Board for endorsement, and also include it in

the agenda of the annual general meeting of shareholders for approval. The Board shall ensure that the Bank discloses the bonus of each individual director in the reports such as Form 56-1 and annual report in compliance with the regulatory requirements. See more details in "Directors' remuneration".

Directors' Performance Assessment

The NRCC has arranged assessment of directors' performance of duties in Board and Board Committees as well as individual director by applying self-evaluation and cross evaluation to reflect their performance efficiency and problems and obstacles during the year, the recommendation will be gathered for improvement consideration, and will send the assessment form that is approved by the NRCC to all directors.

Assessment's Criteria

The criteria for assessment cover various areas including Structure of the Board, Board meeting, the Board's and Board Committees' performance of duties, Relationship with management, Self-development of directors, and Board's practice of Roles and responsibilities of the Board.

Assessment's Process

The self-assessment is undertaken in three tiers as follows:

1. Assessment of the whole Board of Directors' performance
2. Assessment of the performance of each board committee (i.e. Board of Executive Directors, Audit Committee, NRCC, Risk Oversight Committee and Credit Committee)
3. Self-assessment of individual Board member
4. Cross assessment
 - Directors in Board of Directors or Sub-Committees assess the chairman of the Board of Director or Chairman of Sub-Committees
 - Chairman of each committee assess all members of Board of Director, or Sub-committees

Assessment's Method

1. The self-assessment of the Board of Directors shall be made by all Board members.
2. The self-assessment of the board committees shall be made by all members of the board committees, member of the Board (by volunteer) and the Bank's executives who take position in the board committees on an individual committee basis.
3. The self-assessment of individual board members shall be made by all board members.
4. Cross assessment which the chairman of each committee shall assess each director in such committee, while director in each committee shall assess the chairman of such committee.

topic	Assessor		
	Chairman of each committee	Member of each committee	Secretary of each committee
1.Assess the efficiency			
1.1 board of director	✓	✓	✓
1.2 sub-committees	✓	✓	✓
2.Individual	✓	✓	
3.Cross assessment			
3.1 Chairman assess member	✓		
3.2 Member assess Chairman		✓	

NRCC shall gather the result from the assessment and propose to Board of Director for acknowledgment and inform the result to the secretary of the Board Sub-Committees to review and adjust the relevant process for the efficient meeting.

Enhancement of Directors' Training and Performance

The Bank encourage the directors to participate in training courses to expand their knowledge at least one course related to their directorship, which are provided by Thai Institute of Directors (IOD) such as Director Accreditation Program (DAP), Director Certification Program (DCP) or other programs which are relevant to good corporate governance, Anti-Corruption, risk management, IT Risk Cybersecurity, director's roles and responsibilities under the laws and relevant government regulations or the bank's business operations. This aims at enhancing directors' skills and competency, and the Bank shall be responsible for all expenses.

In addition, the training course for directors shall be arranged with the alignment with the bank's strategy and directors such as IT Risk & Cyber security. Bank encourage the directors to attend the seminar on Cyber Resilience arranged by Bank of Thailand during 2019 for better understanding with respect to IT Governance.

The Bank encourage foreign directors who do not reside in Thailand to participate in professional director training courses from abroad which is equivalent to the programs provided by Thai Institute of Directors (IOD) as well as support them to take Thai Institute of Directors training course.

Foreign directors who do not reside in Thailand have joined overseas training course which is equivalent to the program of IOD. The Bank also encourages them to attend training courses of IOD.

Whenever there is an appointment of new director, If the new director did not have the director's training record, the Bank shall provide the IOD training course for receiving the information with respect to the directors' role and the responsibility according to the legal, as well as the guideline for director's duties according to SET, SEC rules and guidelines including the good corporate governance. The Bank also provide the internal training courses for directors for improvement in term of the bank's business operation and director's responsibility.

Currently, 5 of the existing directors had joined DCP program, 1 director joined DAP program and 3 directors joined both DCP and DAP. Furthermore, the Bank also provides internal training for directors to enhance knowledge about to the Bank's business, risk management, IT and director's responsibilities. Details of training course is provided in attachment 1.

New Director Orientation

The Bank provides an orientation for new directors whenever there is a change of director. Director's manual, documents and useful information are provided to support the important information and prepare the new directors in performing his/her duty through electronic media. In this regard, the Company Secretary shall have the following responsibilities:

- To provide the Bank's Information such as the Bank's history, important official documents, major shareholders, vision and mission, financial statements, business structure, management structure, term of directorship, directors' remuneration, etc.
- To provide information on the regulations and best practices for directors, e.g. rules and regulations for directors of related regulatory agencies, the Bank's policies and practices for directors, do's and don'ts for Bank directors, director fiduciary duty checklist, directors & officers liability & corporate reimbursement insurance.
- To arrange meeting with the Bank's executives to enquire in-depth information about business operation of the Bank. Bank also inform the new regulations rule and laws for the directors acknowledgement.

Executive Succession Plan

The executive succession plan is prepared by the Bank as it is a key composition of the personnel strategic planning. The Bank has policy, work plans, and procedures in connection with its vision, mission and business goal as well as organizational culture to ensure that the executive succession is carried out smoothly and the succession personnel shall be prepared to ensure continuous operations of the Bank.

Board of Directors

Board of Directors regularly monitors the management's implementation to ensure that the Bank's vision & mission and strategies is effectively, efficiently and transparently achieved. (See more details in "Board of Directors".)

Principles of Corporate Governance of the Bank

1. The Bank shall operate business with care, efficiency, and effectiveness for stability and sustainable growth in accordance with its organization culture, TMB Way is comprising of 5 core values namely-Customer Centricity, Open Communication, High Performance, Risk Management and Integrity.
2. The Bank shall operate business in compliance with good corporate governance principles without fraud and corruption, and based on key fundamentals of accountability, responsibility, equitable treatment and transparency.

3. The directors and employees shall protect the Bank's benefits, whilst taking into account the benefits, rights and equality of stakeholders. This will enhance the confidence of both domestic and foreign investors and contribute to an increase of the Bank's share value.

4. The Bank shall operate business in compliance with laws, rules and regulations, and relevant regulatory requirements.

5. The Bank shall determine guideline to treat the stakeholders with fairness and transparency.

6. The Bank shall prevent any conflict of interest among the Bank, directors, employees and stakeholders, and to determine scope of responsibilities of the Board and executives to stakeholders.

7. The Bank shall determine comprehensive operational procedures, efficient internal control, as well as risk management system at international standard.

8. The Bank shall accurate, complete and timely disclosure of the Bank's financial report and information affecting the decision-making.

9.2 Board Committees

To achieve effective and efficient performance, the Board has appointed board committees to relieve its burden in monitoring or consideration of important businesses of the Bank. The board committees have the authority to make decision on behalf of the Board subject to the Board's delegation of authority.

The Board has determined the scope of duties and responsibilities of the board committees in accordance with their missions. The segregation of duty is clearly defined without duplication of work, as well as in compliance with the regulatory requirements. In addition, the board committees' meetings must be held on a regular basis to report their performance for the Board' acknowledgement.

The board committees comprise of :

1. The Board of Executive Directors
2. The Audit Committee
3. The Nomination, Remuneration and Corporate Governance Committee
4. The Risk Oversight Committee
5. The Credit Committee
6. The IT Oversight Committee

(1) The Board of Executive Directors

As of December 31, 2019, the Board of Executive Directors was composed of 6 members as below, the Board of Executive Directors' meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Board of Executive Directors:

Name	Position	Note
1. Mr. Philippe G.J.E.O. Damas	Chairman	Non-Executive Director
2. Mr. Suphadej Poonpipat ¹	Vice chairman	Non-Executive Director
3. Mr. Somjate Moosirilert ²	Committee Member	Non-Executive Director
4. Mr. Chumpol Rimsakorn	Committee Member	Non-Executive Director
5. Mr. Michal Jan Szczurek ³	Committee Member	Non-Executive Director
6. Mr. Piti Tantasakem	Committee Member	Executive Director (Chief Executive Officer)

Remarks:

¹ Mr. Suphadej Poonpipat was appointed to be director effective on 3 December 2019.

² Mr. Somjate Moosirilert was appointed to be director effective on 3 December 2019.

³ Mr. Michal Jan Szczurek was appointed as director to replace Mr. Vaughn Nigel Richtor effective on 17 December 2019. Mr. Vaughn Nigel Richtor resigned from director with effective on December 3, 2019.

* Mr. Naris Aruksakunwong is Secretary to the Board of Executive Directors.

* Mr. Kiangkrai Phurivitvattana was appointed to replace Mr. Naris Aruksakunwong who was the secretary to the Board of Executive Directors until January 31, 2020. Mr. Kiangkrai Phurivitvattana was appointed as the Board of Executive Directors since February 1, 2020.

The scope of responsibilities is as follows:

1. To review business performance of the Bank in details on behalf of the Board.
 - 1.1 Review and recommend annual budget and business plan of the Bank including capital planning.
 - 1.2 Conduct tracking of financial result and performance by business segment of the Bank.
 - 1.3 Oversee performance of subsidiaries.
2. To review and recommend or approve large capital expenditure in relation to plan and strategy according to delegation of authority.
3. To review and recommend new business models that are strategic for the Bank including equity participation.
4. To monitor progress of transformation that build capabilities of the Bank for the future.
5. To monitor progress of the branding and corporate communications programs.
6. To review the overall performance of the Chief Executive Committee and provide advice to management as appropriate on urgent or important issues and review the critical issues raised by the management and propose to the Board.
7. Oversee the Bank's digital transformation and IT investment plans to ensure sufficient investment in IT architecture, infrastructure and supporting systems to effectively support the digital transformation that covers digital business, security, and risk.
8. Ensure appropriate governance on customer data management, data quality, and information security.
9. Review control, implementation and monitor IT security and cybersecurity controls (threats and vulnerabilities) to ensure reliability, accessibility, security, and stability in accordance with policy and risk appetite, including regular disclosure of IT and cyber security reports to BoD.

10. Appoint any sub-committees to assist the BoED and oversee the clear role and responsibility of such sub-committees.
11. Undertake such additional tasks as are related to and considered by the BoED to be necessary to achievement of the foregoing responsibilities or as may be assigned to it by the Board.

(2) The Audit Committee

As of December 31, 2019, the Audit Committee comprised of 3 members whose qualifications must conform to the Securities and Exchange Commission's requirements as below, the Audit Committee's meeting is usually held once a month or as deemed necessary and instructed by the Chairman of the Audit Committee.:

	Name	Position	Note
1.	Mr. Singha Nikornpun	Chairman	Independent Director
2.	Mr. Praisun Wongsmith	Committee Member	Independent Director
3.	Mr. Prinya Hom-anek ¹	Committee Member	Independent Director

Remarks:

¹ Mr. Prinya Hom-anek was appointed as director to replace Mr. Christopher John King effective on 17 December 2019. Mr. Christopher John King resigned from director with effective on December 16, 2019.

Member of the Audit Committee with well experienced and reviewing financial statement

1. Mr. Singha Nikornpun

2. Mr. Praisun Wongsmith

Mr. Sunthorn Ruckpanich is Secretary to the Audit Committee.

The scope of responsibilities is as follows:

1. To review the Bank's financial statements to ensure accuracy and adequacy.
2. To review and ensure that the Bank has suitable and efficient internal control system and internal audit, and reviewing to ascertain that internal audit function is independent. Hiring, transferring, removal of Head of Audit shall be concurred by Audit Committee before submission to Nomination Remuneration and Corporate Governance (NRCC) for endorsement and Board of Directors for approval respectively.
3. To evaluate the efficiency and effectiveness of the performance of Head of Audit.
4. To evaluate the efficiency and effectiveness of the performance of Head of Compliance
5. To review and approve the Annual Audit Plan of Internal Audit.
6. To review to ensure compliance with the laws and regulations imposed by the BoT, SEC, SET and other relevant regulators including compliance report prepared by the Bank's Compliance unit.
7. To select, nominate and recommend remuneration of the Bank's external auditor by taking into account credibility, adequacy of resources, experience and independence including recommend dismissal of the external auditor. The Audit Committee shall meet with the external auditor without the members of executive management being present as often as it determines but at least once a year.
8. To approve audit-related and other services engagements with the Bank's external auditor.

9. To review connected transaction or transaction that may lead to conflict of interest to ensure transactions are conducted and disclosed in compliance with the law and regulation and that transactions are entered with reasonableness for the benefit to the Bank.
10. To prepare audit committee report, signed by the chairman of the Audit Committee, and disclose it in an annual report of the Bank. The report should at least contain the following information;
 - (1) The Audit Committee's opinion regarding the accuracy, completeness and integrity of the Bank's financial statements.
 - (2) The Audit Committee's opinion regarding adequacy of the Bank's internal controls.
 - (3) The Audit Committee's opinion regarding compliance with applicable laws and regulations.
 - (4) The Audit Committee's opinion regarding suitability of the Bank's external auditor.
 - (5) The Audit Committee's opinion regarding transaction that may lead to conflict of interest.
 - (6) The number of the meeting held during the year and number of each member's attendance.
 - (7) Overall opinion on the discharge of Audit Committee's duties according to its charter.
 - (8) Other information, within the scope of the roles and responsibilities of Audit Committee, which is deemed to be necessary for shareholders and general investors.
11. To commence investigation without delay upon being informed by external auditor of suspicious circumstance and report to SEC and external auditor the preliminary result within 30 days. The committee also is to report to the Board of Directors so that the Board can rectify the issues within the timeline specified by Audit Committee on the following findings or suspected transactions or actions:
 - (1) Conflict of interest;
 - (2) Fraud, possible fraud, or significant deficiency of internal control;
 - (3) Breaching of the applicable laws and regulations.

In case where the Board of Directors or executive management fail to rectify the issues within the specified timeline, Audit Committee shall report to BOT, SEC and SET, and ensure disclosure in the Bank's annual report.
12. To perform appropriate action upon being informed of suspicious circumstance by internal staff and/or external parties including whistleblowers.
13. To review the appropriateness of corrective measures and actions taken by management in response to the reports or instructions from BOT, SEC and SET and any other relevant regulators.
14. To review the accuracy and reliability of the financial statements of the Bank's subsidiaries, and to review compliance with the policies, processes and standards set by the Bank for its subsidiaries, including those related to internal controls and audit.
15. To perform any other duties as delegated by the Board of Directors and agreed by the Audit Committee
16. To perform other duties as required by law.

(3) The Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2019, the Nomination, Remuneration and Corporate Governance Committee comprised of 4 directors not holding executive position as below, the meeting of this Committee is usually held once a month or as deemed necessary and instructed by the Chairman of the Nomination, Remuneration and Corporate Governance Committee.:

	Name	Position	Note
1.	Mr. Philippe G.J.E.O. Damas ¹	Chairman	Non-Executive Director
2.	Mr. Somjate Moosirilert ²	Committee Member	Non-Executive Director
3.	Mr. Chumpol Rimsakorn	Committee Member	Non-Executive Director
4.	Mr. Teeranun Srihong ³	Committee Member	Independent Director

Remarks

¹ Mr. Philippe G.J.E.O. Damas was appointed to be director to replace Mr. Siripong Sombutsiri with effective on December 17, 2019. Mr. Siripong Sombutsiri resigned from director with effective on 16 December 2019.

² Mr. Somjate Moosirilert was appointed as director effective on 4 December 2019.

³ Mr. Teeranun was appointed as director with effective on 17 December 2019.

Jitlada Sirachadapong* is secretary to the Nomination, Remuneration and Corporate Governance Committee.

*Ms. Vijitra Thumpothong was appointed to be secretary to the Nomination, Remuneration and Corporate Governance Committee to replace Ms. Jitlada Sirachadapong since January 21, 2020.

The scope of responsibilities is as follows:

Nomination

- Review and recommend to the Board policies, criteria and methods, including an appropriate skills matrix, for the recruitment selection and nomination of
 - Members of the Board
 - Members and chairpersons of each Board Committee
 - Representatives of the Bank as directors, chairpersons and chief executives of companies which are subsidiaries or where the Bank is entitled to nominate one or more representatives as director
 - Senior management
- Screen, shortlist and propose to the Board for nomination or appointment qualified candidates for the positions mentioned above.
- Recommend to the Board appropriate succession plans for senior management.
- Review and monitor the implementation and effectiveness of the policies, criteria, methods and plans referred to above and report thereon to the Board at least once a year.

Remuneration

1. Review the overall remuneration structures policies and practices of the Bank as well as oversee the public disclosure thereof, including those on benefits, performance evaluation, incentive awards and severance payments, to ensure they are consistent with the decisions of the Board and the Bank's culture, objectives, strategy and control environment, promote long term shareholder value, and take fair account of the roles, responsibilities, management of risk and performance of the individuals concerned, and of market benchmarks for fairness of all parties; and make recommendation to management and the Board as appropriate.
2. Recommend to the Board (subject to further approval by the shareholders where required) the amount of actual remuneration and benefits of members of the Board and of Board Committees.
3. Approve (or in the case of the CEO of the Bank recommend to the Board for approval) the actual remuneration and benefits, including any incentive award or severance payment, of senior management.

Corporate Governance

1. Review and where appropriate recommend to the Board changes to applicable policies, codes, rules and guidelines including those governance, sustainability and culture to ensure the highest standards of good corporate governance and ethics in line with best international practice, and supervise, monitor and report to the Board at least annually on the implementation and effectiveness thereof.
2. Recommend to the Board the appropriate size and composition of the Board and Board Committees, and the mandates of each Board Committee.
3. Recommend to the Board policies criteria and methods for the periodic evaluation of the performance of the Board and Board Committees, implement the same and report the results to the Board.

Other Responsibilities

1. Undertake such additional tasks as are related to and considered by the NRCC to be necessary to achievement of the foregoing responsibilities or as may be assigned to it by the Board
2. Make such reports and disclosures on its work to the Board, regulators, shareholders and the public as are required by applicable regulations or deemed appropriate in the interests of good governance.

(4) The Risk Oversight Committee

As of December 31, 2019, the Risk Oversight Committee comprised of 5 members, the meeting of this Committee is usually held monthly or as deemed necessary and instructed by the Chairman of the Risk Oversight Committee.
as follows:

	Name	Position	Note
1.	Mr. Teeranun Srihong ¹	Chairman	Independent Director
2.	Mr. Prinya Hom-aneek ²	Committee Member	Independent Director
3.	Mr. Yokporn Tantisawetrat	Committee Member	Non-Executive Director
4.	Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
5.	Mr. Johannes Franciscus Grisel	Committee Member	Management (Chief Risk Officer)

Remarks:

¹ Mr. Teeranun Srihong was appointed as director to replace Ms. Catherine Low Peck Cheng with effective on 17 December 2019.

² Mr. Prinya Hom-aneek was appointed as director to replace Mr. Siripong Sombatsiri with effective on 17 December 2019.

Mr. Verawat Komutanont perform the duty of Secretary to the Risk Oversight Committee.

The scope of responsibilities is as follows:

1. To propose to the Board a framework and policies for risk governance and overall risk management, including major risks such as credit risks, market risks, liquidity risks, operational risks, strategic and reputational risks, etc.
 - 1.1 To advise the Board on appropriate risk related policies, appetite, tolerance and strategy for the Bank and its business units including authority or the delegation of authority to approve credit.
 - 1.2 To recommend the risk and concentration levels for approval by the Board, in alignment with the Board's risk appetite.
 - 1.3 To approve significant policies and framework that govern the management of risks, including risk governance matters, and which have been delegated to ROC by the Board.
 - 1.4 Supervise capital and liquidity management strategy in alignment with the Board's risk appetite.
 - 1.5 Ensure and regularly review appropriate Technology, Information and cyber risk governance, policy, and appetite that meet international standards
 - 1.6 Regularly monitor Technology, Information and cyber risk against appetite as a part of overall risk oversight
2. To formulate strategies that are consistent with the risk management policy and which can assess, monitor, and ensure that the financial institution's risks are at appropriate levels.
 - 2.1 To approve the supplemental risk limits as defined in the relevant policies and frameworks.
 - 2.2 To review the adequacy of the Bank's risk management policy and systems, and the effectiveness of policy and systems implementation in terms of identifying, measuring, aggregating, controlling and reporting these risks by top management and Chief Risk Officer.
 - 2.3 To review and monitor all risks and risk management practices, including internal control and compliance processes and systems.
3. To approve the appointment, review of committee structure and composition, and roles and duties of the management – level risk management committees.

4. To report the risk management performance and all risk management matters and measures to the Board, and to the Audit Committee for any improvements needed to ensure the effectiveness of the policy implementation including progress of implementation on risk culture.
5. To advise on the development and maintenance of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact of their actions on the Bank and its business units.
6. To advise on the alignment of compensation structures in relation to the management of risk, within the Board's risk appetite.
7. Appointment, transfer, removal of CRO and performance appraisal of CRO's performance shall be concurred by Risk Oversight Committee
8. To perform other duties as delegated by the Board of Directors or regulatory requirements.

(5) The Credit Committee

As of December 31, 2019, the Credit Committee composed of 4 members. The Credit Committee's meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Credit Committee.

	Name	Position	Note
1.	Mr. Chumpol Rimsakorn	Chairman	Non-Executive Director
2.	Mr. Yokporn Tantisawetrat	Committee Member	Non-Executive Director
3.	Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
4.	Mr. Johannes Franciscus Grisel	Committee Member	Management (Chief Risk Officer)

Mr. Ekanat Kieatnapasin is secretary to the Credit Committee.

The scope of responsibilities is as follows:

1. To approve followings:
 - 1.1 Credits
 - 1.2 Credit restructuring
 - 1.3 NPL write-off
 - 1.4 NPA acquisition, NPA sales and NPA write-off which exceed the management's approval authority, and are NOT related parties or group limits NOT exceeding the Single Lending Limit (SLL).
2. To review specific credit proposals for related parties or in which group limits exceed the SLL prior to submission to the Board for approval.
3. To review the credit decisions of the most senior executive credit committees.
4. To approve credit and related risks for transactional investments or underwriting commitments which exceed the management's approval authority.

5. To perform other duties as delegated by the Board of Directors or regulatory requirements.

(6) The IT Oversight Committee

The Board of Director meeting No. 11/ 2019 dated December 18, 2019 approved the IT Oversight Committee with effective January 2020.

The IT Oversight Committee comprised of 4 members, the meeting of this Committee is scheduled quarterly or as deemed necessary and instructed by the Chairman of the IT Oversight Committee.

as follows:

	Name	Position	Note
1.	Mr. Teeranun Srihong	Chairman	Independent Director
2.	Mr. Prinya Hom-anek	Committee Member	Independent Director
3.	Mr. Michal Jan Szczurek	Committee Member	Non-Executive Director
4.	Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)

Mr. Sutthikan Rungsrithong is Secretary to IT Oversight Committee.

Board of Director meeting No. 2/ 2020 dated February 20, 2020 approved the scope of responsibilities of The IT Oversight Committee with effective February 2020 as below.

The scope of responsibilities is as follows:

1. Oversight IT Strategy, IT Management and IT Operations by

- Review IT strategy at least annually to ensure:
 - The alignment of IT strategy and Bank's strategic direction
 - IT infrastructure is flexible, reliable, and scalable to support the business changes including new technology adoptions
 - The readiness or maturity level of Information Technology including capabilities to manage and mitigate IT and cybersecurity risks
- Monitor the progress of strategic and high-risk IT-related projects

2. Oversight IT Risk Management of both normal and crisis situation by

- Review IT Risk Management Policy at least annually
- Oversight operating model and organization structure according to three lines of defense principle
- Monitor risk levels, effectiveness of IT risk management and significant factors/ issues as well as rectification actions

3. Oversight IT investment and expenditures budget to ensure the alignment with Bank's strategy

4. Oversight development programs for staffs to have sufficient knowledge on Information Technology and IT Risk awareness

5. Perform other duties as regulatory requirements

(7) Other committees of Management Level

The Board or the Board Committees will appoint committees in management level for supporting the Board or Board Committee to perform duty under scope and responsibility approved by the Board or Board Committee.

Committees in executive level which there are Chief Executive Officer and Chiefs as chairman are as follows:

1. Chief Executive Committee (CEC)

The CEC is to operate long term strategy of the Bank and conduct regular review of progress in achieving its goals. To propose the Annual Business Plan, Annual Budget, Capital Budget, Headcount Plan to the Board for consideration and approval and control headcount against headcount plan, to consider and approve investment, main projects of the Bank, branding, advertising, corporate communication, and measures to deal with crisis situations. In addition, the CEC is to consider strategic plan of subsidiaries and review their performance.

2. Risk Policy Committee (RPC)

The RPC is to assess the integrity and adequacy of the credit management of the Bank, to review and endorse or approve the Bank's credit risk policies, framework, guidelines, credit underwriting guidelines and standards, and credit criteria of products within the delegated authority.

3. Non – Financial Risk Committee (NFRC)

Non-Financial Risk Committee (NFRC) is to identify, measure and monitor the Operational, Compliance and Legal risks of the Business Units/ Support Units with appropriate quality of coverage (granularity) and to ensure that appropriate management action is taken by the responsible (business) managers at the appropriate level of granularity.

4. Credit Underwriting Committee (CUC)

The CUC is to consider, recommend, and approve for all matters relating to credit risk and issuer risk and approve credit within delegated authority, to endorses credit that exceed approval authority to the Credit Committee for consideration. In addition, the CUC is able to sub-delegation and power to sign to related person.

5. Credit Restructuring Committee (CRC)

The CRC is to approve credit restructuring in management level, to consider and approve for all matters relating to credit risk, investment risk, The CRC is to review status and plan for all matters relating to credit restructuring, nursing period and write off.

6. Asset and Liability Management Committee (ALCO)

The ALCO is to define and decide on the formulation and execution of asset and liability management policies and to endorse/approve for all matters relating to the asset and liability management of the Bank. In addition, The ALCO is to define the policies regarding liquidity risk management, market risk management, balance sheet management, and market risk economic capital management.

7. Digital Strategy Committee

The IT Steering Committee is to endorse IT Strategic Plan and Blueprint to ensure proper alignment with corporate plan, to be informed and updated of the Bank and Market crucial banking technology.

8. Human Resource Committee (HRC)

The HRC is to consider and approve the framework governing the Bank's human resources management policy, compensation standards, rules and regulations, succession plan, performance review, salary adjustment, bonus and incentive award of employees at below Group Head. The HRC is to approve the governance structure of job grading and function title or any issues under HR transformation and also to approve the Bank's human resource development structure and corporate culture.

9. The Disciplinary Action Committee (DAC)

The DAC and Senior DAC are entitled to decide the disciplinary penalty for guilty employees and the indemnification for the Bank.

10. Customer Experience Management (CXM)

The CXM is in charge of customer experience and ensure that customers' complaints are properly managed.

11. Safety, Occupational Health and Work Environment Committee

To consider policy and plan on workplace safety and safety outside works; organize projects encouraging and supporting safety-related activities; and investigate regulations and manuals on safety, occupational health and working environment to be in line with Ministerial official laws.

12. Anti-Fraud Steering Committee

To govern the Bank's fraud risk management system and process so as to mitigate impacts to the Bank's business appropriately.

9.3 Recruitment of directors and top executive officers

For recruitment of directors, the Bank considers Board diversity including professional skills, expertise, experiences, and gender. The Bank required qualification of directors align with the Bank's strategy which prepare in form of skill matrix. In some case, the Bank recruit directors from considering of Director Pool data base.

The Bank has the guideline in nominate the director as following:

Independent director and director nomination criteria**1) Recruitment of Independent Director**

The Bank has been aware that independent directors take a vital role in safeguarding the interests of the Bank and the minor shareholders. To enhance independence of the Board of Directors and manage conflicts of interest pursuant to the regulatory criteria and the corporate governance principles, the Board has formulated criteria for nomination of independent directors from professionals of diversified fields with proper qualifications and experience who can deliver independent opinions and have fairness in the performance of duty by applying skill matrix as the tools for consideration. The Nomination, Remuneration and Corporate Governance Committee shall make preliminary consideration of the nomination of independent directors before submission to the Board meeting or the shareholders' meeting (as the case may be) for appointment thereof. The basic qualifications of an independent

director shall be defined by the Bank which more stringent than that under the criteria set by the Capital Market Supervisory Board.

Board of Director establish the independent director qualification that indicate the term of independent director not longer than 9 years consecutively. Any independent director who has their term for 9 years, could be re-elect for another term of independent director after their resignation for 2 years. the bank also applied the condition according to Bank of Thailand notification that indicated as the person who will retire and has the term for longer than 9 years, if such person will be reappointed the term of independent director for the reappointed period shall not exceed May 1, 2022. Therefore, any independent director who dedicated its knowledge and experience in the bank business for longer than 9 years, the Bank might consider reappoint them for another term according to such rational.

Qualification of Independent Directors

1. Not hold shares in excess of 0.5 percent of total voting shares of the Bank, or the Bank's parent company, subsidiary, associated company, major shareholder, or any person with controlling power over the Bank, whilst the number of shares held by any related person of that independent director must also be counted.

2. Not be and have not been a director participating in management role, an employee, an officer, an advisor who receives regular salary, or a person having controlling power over the Bank, the Bank's parent company, subsidiary, associated company, subsidiary at the same level, or major shareholder, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

3. Not be a person who having relationship either through bloodline or legal registration as the father, mother, spouse, sibling and child, as well as the spouse of a child of other directors, executives, major shareholders, a person having controlling power, or a person to be nominated as the director and executive or that who has controlling power over the Bank or its subsidiary.

4. Have no or have had no any business relationship with the Bank or its parent company, subsidiary, associated company, major shareholder, or person having controlling power over the Bank, in a manner that may prevent his/her due and independent use of discretion. The independent director shall not be and have not been a shareholder in material respect or a person who has controlling power over the person with business relationship with the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power over the Bank, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

Business relationship in the above paragraph shall cover any ordinary course of business or trade for business engagement purpose, property rent, transaction relevant to asset or service, giving or receiving financial assistance in form of loan or guarantee, offering assets as collateral, and any other similar conduct, which causes the Bank or its counterparty to be liable for debt settlement to another party in an amount equivalent to 3 percent or more of the net tangible assets of the Bank or twenty million baht or more, whichever is lower. The calculation of the said debt is accordance with the calculation of a connected transaction prescribed in the Capital Market Supervisory Board's notification regarding criteria on connected transactions mutatis mutandis. However, consideration of the

said debt shall include the debt incurred during the one-year period prior to the date on which such business relationship takes place.

5. Not be and have not been an auditor of the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in material respect, a person having controlling power, a partner of an auditing firm for which the auditor of the Bank, or that of its parent company, subsidiary, major shareholder, or a person with controlling power over the Bank has been working, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

6. Not be and have not been a professional advisor, including legal or financial advisor, who obtains fee more than two million baht a year from the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in material respect, a person with controlling power, or a partner of such professional service provider, unless the independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

7. Not be a director who has been appointed as a representative of the Bank's director, the major shareholder, or the shareholder related to the Bank's major shareholder.

8. Not engage in the business of the same nature as or competing with that of the Bank or its subsidiary. The independent director shall not be a partner in material respect in a partnership, or director participating in management role, an employee, officer, or advisor obtaining regular salary, or a shareholder holding more than one percent of total voting shares of any other company which engages in the business of the same nature as or competing with that of the Bank or its subsidiary.

9. Not maintain in the independent director position longer than 9 years, unless they have been discharged from such positions or status for no less than 2 years prior to the day the appointment

10. Not have any characteristics that prevent the director from giving independent opinions on the Bank's operations.

In this regard, any revision/amendment/relaxation of the criteria or qualifications of the independent directors to be announced later on by the Capital Market Supervisory Board, the Securities and Exchange Commission, the Stock Exchange of Thailand or the Bank of Thailand shall be applied accordingly.

2) Recruitment of Non-Executive Directors

The Board of Directors has put in place a definite and transparent director nomination policy and process. the Nomination, Remuneration and Corporate Governance Committee is responsible for the selection, screening, and nomination of qualified persons to the Board of Directors for consideration before proposing to the shareholders' meeting for further election as directors of the Bank. Apart from the qualifications prescribed in the Bank's Articles of Association and the appropriate personal qualifications, the persons nominated must be competent, knowledgeable and experienced in bank and relevant business operations with the possession of leadership skills, visionary and

strategic ideas that can lead the Bank to a strong and long-term sustainable growth and must be able to dedicate their time for the optimum benefits of the Bank.

In case of vacancy due to the resignation of a director before finishing the term, the Board of Directors shall appoint a person to fill the vacant position through the nomination made by the Nomination, Remuneration and Corporate Governance Committee. The said new director shall hold office only for the remaining term of office of the director whom he/she has replaced, unless remaining duration of director's term of office is less than two months.

The shareholders are allowed to vote for the election of directors by individual. This voting uses the majority votes of the shareholders who attend the meeting and have voting rights.

3) Appointment of member of the Board Committees

For appointment of board committees' members, the Nomination, Remuneration and Corporate Governance Committee shall consider and endorse the nominees before submission for approval and appointment by the Board of Directors. The selection is based on the expertise specifically required for each particular board committee. Members of the board committees shall have professional skills, specific experience, and free from conflict of interest. In addition, each committee shall have the composition and qualifications as prescribed by the regulatory criteria as well as Board Skills Matrix.

4) Recruitment of Executive

In the appointment process of the executive at "Head of" level and above, the Nomination, Remuneration and Corporate Governance Committee is responsible for consideration to acquire and screen the qualified persons from both internal and external sources as defined by the Bank's rules and regulations. Moreover, criminal and NCB checked are required. Then the nominated persons will be proposed to the Board of Directors for approval as well as other required functions to comply with laws and regulations of government authorities related to financial service business.

Regarding the appointment process of the executive at "Team Head" level and below, the executive shall consider, select and appoint qualified persons as deemed appropriate.

The succession plan for key positions has been established and reviewed annually. In this regard, the recruitment process to fill the position of the executive who will soon complete a specific term shall be made by the Nomination, Remuneration and Corporate Governance Committee duly in advance.

Performance Appraisal of the Chief Executive Officer

Nomination, Remuneration and Corporate Governance Committee has been assigned to appraise the CEO's performance as well as year-end 2019 in area of profitability, cost efficiency, ability to generate future income, risk management, digital transformation, people's culture, and sustainability.

9.4 Subsidiaries Supervision

The Bank has determine the management and control structure of the subsidiaries in aspect of generating strategic plan and nominating representative directors to jointly manage the subsidiaries and reorganize to take responsibility of the subsidiaries as appropriate.

9.4.1 Mechanism for Supervision

The Bank has mechanism to supervise subsidiaries for controlling the operation of subsidiaries in which to keep benefit covering investment, The Board of Directors has determined "Consolidated Supervision Policy", which includes policies as follows

1. Accounting Policy

To determine the accounting and financial report policy for the Bank to collect related information from the subsidiaries for generating consolidated financial report correctly, in the same direction and in compliance with the Bank of Thailand's rule and regulation and analyzing performance and financial status of the subsidiaries correctly and promptly for controlling and following.

2. Corporate Governance Policy and Policy on Confidential & Insider Information and Conflicts of Interest

Corporate Governance Policy determine the policy for the subsidiaries to conduct under business ethic and the morality and the best practices are concerning in good corporate governance and best practices which should be in line with Good Corporate Governance Policy.

Policy on Confidential & Inside Information and Conflicts of Interest is applied both the bank and the subsidiary companies to prevent conflict of interest issue and misusing the internal information and aligned with the bank's policy.

3. Anti-Corruption Policy

Anti-Corruption Policy determine the policy for the subsidiaries to conduct in the same manner of the Bank, as well as applying the relevant laws on such matter. This is to support the bank and subsidiaries' intention in anti-corruption, anti-bribery dealing with either government or private sector.

4. Risk Management Policy

To determine the risk management policy of the subsidiaries covering various aspects of risk relating to companies' performance and impacting the stability of the Group Companies including market risk management, liquidity risk management, operational risk management and credit risk management.

5. Compliance Policy

To determine the policy for the subsidiaries to conduct under Compliance Policy and relevant Regulatory Policy such as Regulatory Compliance, Bank of Thailand's Regulatory, Compliance and Know your Customer, Anti-Money Laundering Act, and Counter Terrorism Financing Act.

6. Corporate Communication Policy

To determine the policy for the subsidiaries to conduct in the same way and promote Bank image in aspect of name and brand and disclose information of the subsidiaries.

7. Audit Policy

To determine the roles of Internal Audit (AUD) and Independent Credit Review (ICR) and the Audit Committee's oversight role in conjunction with the roles of the Bank management and external auditor on auditing, controlling and monitoring the Group Companies. The ultimate objective is to ensure sound control culture and good governance throughout the Financial Business Group.

9.4.2 Representative Director Appointment

The objective is to manage and control the subsidiaries carefully under consolidated supervision policy, the Bank sets guideline of representative director appointment as follows:

1. The Bank nominates directors by proportion of the Bank's shareholding.
2. Chairman of the Board must be appointed by the Bank's Board of Directors.

3. Managing Director or Chief Executive Officer's nomination must be endorsed by the Bank's Board of Directors. (The nomination of Managing Director of all companies in Solo Consolidation Group must be approved by the Bank of Thailand).

4. Chief supervising the subsidiaries companies proposes the Bank's executives as representative directors by:

4.1 Propose to the Board of Directors (BoD) the appointment of new representative directors through Chief Executive Committee (CEC), and Nomination, Remuneration and Corporate Governance Committee (NRCC) respectively or other guidelines that will be set up by the Board of Directors in the future.

4.2 Propose to the CEC the re-appointment of the existing representative directors.

5. The Bank may consider appointing outside expert to be a director as appropriate.

6. In case there are more than one Bank's representative directors in the subsidiaries, the Bank may nominate a Lead Director who are position Head of and above on to gather and propose information and performance for each company.

7. The person who is appointed to be a representative director could be appointed as managing director or authorized director or others. However, such person must not be appointed in aforementioned positions in more than 3 business groups.

8. Bank's representative director has no conflict of interest with the Company to which the Bank will send the representative director.

9.4.3 Duty of Representative Directors

1. All representative directors shall not receive any remuneration in terms of cash and non-cash for being representative directors.

2. Attend all Group Companies' Board meetings to determine the Group Companies' Policies and Strategies to align with the Bank, which a lead director will work with

2.1 Strategy and Transformation to ensure timely communication of direction and strategy from the Bank to representative Directors regarding business matters.

2.2 Related Chief/BU regarding oversight in TMB risk management area shall regularly report the summary of risk issues of the group companies to RMC of the bank every 6 months or as deem appropriate.

3. Supervise the operation of the subsidiaries to be compliance with Bank's policies, plans, rule and regulation efficiently and effectively, as well as ensure no Conflict of Interest issue.

4. Propose policy, strategy, performance and opinion to the Bank.

5. Report performance of the subsidiaries or any material change that may have an impact on the Bank such as capital increase/decrease of the subsidiaries, business sale and purchase/merging, change in financial status, change in business group or change in rules/regulatory bodies/specific laws of each business.

6. Monitor and protect all benefits of the Bank.

7. Other duty as specified by the Bank.

9.4.4 Transactions that requires approval by the Bank before voting in the subsidiaries' Board Meetings

1. Policy and strategy that will significantly impact on going business operation or nature of business.

2. Increase or decrease of registered capital.

3. Approvals of dividend payout.

4. Investment or divestiture of other business which subsidiary holds more than 10% of paid-up capital.

5. Selling of core asset.

6. Entering into business contract/agreement that is worth more than 15% of net tangible asset (NTA).

7. Liquidation/ Debt Moratorium /Bankruptcy.

8. Transactions related to the Bank and connected persons to the company following Compliance Policy.

9. Borrowing transaction over 15% of NTA and Letter of Guarantee to third party with transaction over 15% of NTA.

10. Change of image, business format or brand.

11. Other matters that have significant impacts on the Bank's business and the liability for representative directors.

9.5 Control on use of inside information

The bank has the procedure with respect to the non-compliance issue against the Financial Business Act B.E. 2551 and the related notifications according to Securities and Exchange Act B.E. 2535 (as amended) and relevant notifications, anti-corruption and anti-bribery law when doing any activities with private or government entities, insider trading according to Securities and Exchange Act B.E.2535 (as amended), intellectual property law.

In addition, the Bank established Policy on Confidential & Insider Information and Conflict of Interest, and code of conduct for both executives and employee. This is to operate the bank business according to the banking industry code of conduct and transparency as well as equal treatment of all stakeholder.

9.5.1 Policy and procedure on insider information

The Bank has issued Regulations and guidelines in written in Code of Conduct, TMB Policy on confidential & Inside information and Conflicts of Interest including operating manual regarding Conflicts of Interest, Trading & Investment of TMB's Financial Instrument as operating guideline of director, executive, and employee.

Directors and executives are required to sign for acknowledgement and compliance with the practice on reporting the change in the directors and executives securities holding to the Office of Securities and Exchange Commission within 3 days from the date of securities holding change in response to Section 59, Securities and Exchange Act, B.E. 2535(as amended), In addition, they are responsible for reporting such change to the Sustainability and Corporate Governance to record the matter and summarize the shareholding portion of the directors and executives and their spouses and children before submission to the Board of Directors for acknowledgement monthly. The Bank also informs them of the penalties given the failure to comply with such requirement.

The Bank is aware of the importance of monitoring the use of inside information, especially non-public information that may impact its share price. As such, The Bank has assigned Financial Regulatory Management to be the only unit responsible for submitting the financial statements and all financial reports to the SET and the SEC after undergoing a correctness and completeness review by the Audit Committee and the Board of Directors respectively to make sure The Bank's inside information is not prematurely disclosed to the public.

Guidelines to prevent inside information the Bank imposed punishment for employees' disciplinary misconduct regarding business code of conduct and ethics to ensure the management and the staff perform duties with transparency and based on professional code of conduct and treat all stakeholders fairly, which is in line with the Securities and Exchange Commission Act regarding the use of inside information. The Bank prohibited the executives and staffs who have permanent or occasionally potential access to the Bank's inside information to trading securities until 24 hours after disclosure information to public. The executives and staffs shall not disclose the Bank's inside information to any of their family members and/or other persons even though the staffs and/or their family members do not sell/buy the securities and/or do not gain any benefit in any form and to prevent for personal benefits and whatsoever or the others' benefits. Moreover, if there is any event that may have an effect to The Bank's securities price. Bank will set the additional period to prohibit relevant covered person regarding to trading The Bank securities.

Compliance is responsible for supporting Management with the implementation, enforcement and updating of the aforementioned policy and procedure and also provides for appropriate monitoring mechanism to ensure compliance with the policy, operations procedure as well as relevant laws and regulations.

9.5.2 Penalty measures

The Bank's punishment for the violating of Financial Institution Business Act, B.E.2551, using of inside information accords with the provisions of the Securities and Exchange Act B.E. 2535, violating of Non-Violation Against Intellectual Property Rights or Copyrights, Anti-Corruption, Anti-bribery for the Bank's benefit or Anti-bribery in business dealing with government and private organization and all other relevant rules and regulations of the authorities. It has also imposed punishment for employees' disciplinary misconduct regarding business code of conduct and ethics to ensure the management and the staff perform duties with transparency and based on professional code of conduct and treat all stakeholders fairly.

9.6 Auditor's remuneration

9.6.1 Audit fees

The Bank and its subsidiaries paid audit fees to:

- The Bank and its subsidiaries' auditor in the previous accounting year amounting to THB 14,490,000.
- Payment to the respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year amounting to THB 458,370.

9.6.2 Non-audit fees

The Bank and its subsidiaries paid fees for non-audit services i.e. special purpose audit and engagements to perform agreed-upon procedures to:

- The Bank and its subsidiaries' auditor in the previous accounting year totaling THB 1,650,000 together with future payment due to incomplete work in the previous accounting year totaling THB 875,000.
- Payment to the respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year THB 4,860,000 together with future payment due to incomplete work in the previous accounting year totaling THB 9,960,000.

The above disclosure of auditor's remuneration excludes auditor's remuneration of Thanachart Bank Public Company Limited which become to subsidiary of TMB as at December 3, 2019. However, TBANK disclose the auditor's remuneration through the TBANK's 56-1 and annual report for the year 2019.

9.7 Other Corporate Governance Practices

The Bank continuously adheres to the Corporate Governance Policy to ensure that the Bank's management system is efficient, free from corruption, transparent and accountable so as to build trust and confidence among its shareholders, investors, stakeholders, society and all related parties. Regarding the above implementation, the bank received the corporate governance rating for the listed company from IOD as "excellent".

The Bank implemented Corporate Governance guidelines in accordance with the good corporate governance principles of listed companies prescribed by the Principles of Good Corporate Governance for Listed Companies by SEC's Corporate Governance Code for Listed Company, Criteria of Corporate Governance Report of Thai Listed Companies - CGR by IOD, and international standard such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), Sustainability Disclosure Standard (GRI) and Sustainability Reporting Disclosure (SDG)

In 2019, Board of director and sub-committees considered their role and responsibility to align with the regulations and the bank environment which the significant areas of implementation consist of:

Good corporate Governance for listed company	The bank implementation
Board of director's role and responsibility Principle 1: role of Board of director as leadership including the customer treatment according to market conduct Principle 2: set up the organization objective and target for sustainability Principle 3: efficiency Board of Director Principle 4: nominate and develop the executive and human resource Principle 5: support the innovation and conduct responsible business	According to principle 1 – 5 the bank added the new implementation in the following areas. (1) Disclose human right policy via TMB Website (2) Arrange the training course for directors to align with skill matrix, the bank encourage the directors to participate the training course including the seminar arranged by Bank of Thailand during 2019 with respect to Cyber Resilience, such course aim for providing more understanding on IT Governance to directors. (3) Monitor the number of director's meeting attendance during 2019 (4) Arrange the meeting between Audit Committee, Risk Oversight Committee, and Independent directors.
Principle 6: oversee for proper risk management and internal control Principle 7: soundness of financial information disclosure	According to principle 6 – 7 the bank has implemented the following areas. The bank's board committees reviewed their role and responsibility to incorporate the entire risk and emerging risk management, information technology risk, customers' information risk, and risk management culture as well as the relationship between the risk taker and the risk management functions in the bank and the financial business group. (see item 9.2 Board Committee-Risk Oversight Committee)
Principle 8: Support on the shareholder's communication and participation	The bank has set up the process for allowing the minor shareholder to submit the question regarding the annual general meeting via the bank's available channel. (https://www.tmbbank.com/ir/share_meetings/agenda)

In 2019, the directors have attended the additional training courses and seminar as follows:

Directors	Courses
1. Mr. Prasong Poontaneat ¹	• Cyber Resilience Awareness, TMB • IFRS 9 Implication and Readiness, TMB • Inside Information and Data Privacy, TMB • Branding and NPS Update, TMB • Sustainability Training, TMB
2. General Nattaphon Nakphanit ²	• Cyber Resilience for director, BoT • Bangkok Sustainable Banking Forum 2019, BoT
3. Mr. Philippe G.J.E.O. Damas	• Strategic Board Master Class, IOD • Cyber Resilience Awareness, TMB • IFRS 9 Implication and Readiness, TMB • Inside Information and Data Privacy, TMB • Branding and NPS Update, TMB • Sustainability Training, TMB
4. Mr. Singha Nikornpun	• Cyber Resilience Awareness, TMB • IFRS 9 Implication and Readiness, TMB • Cyber Resilience for director, BoT • Inside Information and Data Privacy, TMB • Branding and NPS Update, TMB • Bangkok FinTech Fair 2019 - Collaboration for the Future of Finance, BoT • Sustainability Training, TMB
5. Mr. Teeranun Srihong	• Thailand Insurance Leadership Program, OIC
6. Mr. Chumpol Rimsakorn	• Cyber Resilience Awareness, TMB • IFRS 9 Implication and Readiness, TMB • Inside Information and Data Privacy, TMB • Branding and NPS Update, TMB • Sustainability Training, TMB
7. Mr. Yokporn Tantisawetrat	• Cyber Resilience Awareness, TMB • IFRS 9 Implication and Readiness, TMB • Recovery Planning, TMB • Inside Information and Data Privacy, TMB • Branding and NPS Update, TMB

	• Sustainability Training, TMB
8. Mr. Praisun Wongsmith	• Cyber Resilience Awareness, TMB • IFRS 9 Implication and Readiness, TMB • Inside Information and Data Privacy, TMB • Branding and NPS Update, TMB • Sustainability Training, TMB
9. Mr. Piti Tantakasem	• Cyber Resilience Awareness, TMB • IFRS 9 Implication and Readiness, TMB • Recovery Planning, TMB • Inside Information and Data Privacy, TMB • Branding and NPS Update, TMB • Bangkok Sustainable Banking Forum 2019, BoT • Sustainability Training, TMB

10. Corporate Social Responsibility**10.1 Policy and Direction towards Social Responsibility**

Following a major transformation in 2009, when Make THE Difference journey began, the bank remain on that same path today in providing better solutions for our customers. This is why all staff continue to challenge in every aspect of working lives and in the delivery of customer service and satisfaction. The Bank committed to change, whether it is the working process, staff capability or the organization itself. All these efforts have one single aim – to find a better answer for valued customers – with the goal of winning the customers trust and to becoming the most advocated bank in Thailand.

The Bank places importance on good corporate governance, code of conduct for directors, code of conduct for employees, and business operations with responsibility to all stakeholders including shareholders, employees, customers, business partners, creditors, competitors, investors, government agencies, as well as society and environment. This is to ensure that they are treated well, leading in turn to sustainable development of the Bank, society, and the country's economy.

The Bank has policy to operate business for a sustainable growth by enhancing operating efficiency, developing product and service and empowering employees. By adhering to corporate social and environmental responsibility, the Bank aims to create value for all stakeholders. This policy is aligned with the 8 principles of Corporate Social Responsibility's Guideline of the Stock Exchange of Thailand. Details are as follows:

1. Fair Trade Practice

The Bank is fully aware that it is important to operate its business fairly as stated in the corporate governance policy regarding Role of Stakeholders. The Bank gives priority to equal treatment to all stakeholders to ensure they fully have their rights with fairness and appropriate treatment. The Bank puts in place the system to handle customers' complaints and resolve their problems with prudence and fairness. Customer information shall be kept confidential and strictly complied with the condition on the counterparty's agreement. The Bank's business operations are based on fair, corruption-free and ethical competition. All employees are treated fairly and equally. Training are provided to enhance staff's knowledge, skills and competency. The Bank increases employees' job opportunity by offering internal rotation which also help improve working efficiency. The Bank determines fair compensation scheme which is in line with industry standard. The Bank also promotes corporate governance culture within the organization.

2. Anti-Corruption

The Bank realizes that corruption compromises the stakeholders' confidence in the Bank's operation and that corruption could cause legal penalties, by both civil and criminal law. The Bank provides anti-corruption policy for directors and employees to aware of the risk and corporate governance issue also comply with the appropriate organization's risk management mechanism and monitors them consistently. There are disciplinary measures and penalties for those who fail to comply with the policy. The Bank shall also provide protection and fairness to

employees who deny an act constitutes corruption or report an incident of corruption. All of these will help increase the employees' awareness of the anti-corruption culture and ensure that the Bank operates with full transparency.

Both director and management are encouraged to aware of the governance risk and proper risk management culture.

3. Human Rights

Respecting human rights is part of the Bank's operation. The Bank established the policy with respect to employee's engagement and compensation & benefits that places importance on the equality of all employees and does not commit any conduct that violates human rights, including discrimination against individual on grounds of the difference in origin, race, language, age, training & education, institution, gender, disability, physical or health condition, workplace safety, personal status, and economic or social standing.

The policy regarding vendor's selection and screening also established to commit that the bank's vendor is operated without the human rights violation. The Supplier Code of Conduct is established to notify the bank's vendors for their comply with.

The Bank's customers have the right to receive the legal protection and receive the Bank's good quality of product and service therefore the product and service will be delivered with the fairness on the fees, security, product's feature and terms & conditions as the customers is perceived via the advertisement or the relevant agreement.

The Bank's Code of Conduct encourages everyone to create a good working environment by not presenting any behavior that infringes on the others' privacy. It's also encourages for no abusing human rights by treating or practicing in differences standard because of any different in race, religion, language, age, education, gender, disability, physical or mental health, status of economic or social of person.

4. Fair Labor Treatment

The Bank is fully aware that employees play an important role in driving the Bank's business and bringing positive changes to society. The Bank, therefore, selects, develops, promotes, and retains high caliber staff so that the Bank can achieve its target efficiently and effectively. The Bank ensures appropriate and fair compensation as well as a transparent appointing, transferring, bonus and penalties. The Bank also encourages and supports employees to improve their knowledge and skills. Lastly, the safety of working environment is also provided.

The Bank also aware of the employee's health and safety which the statistic in 2019 show as below:

- | | |
|-----------------------------|----------|
| • Accident cases | - None - |
| • Employee health / illness | - None – |

5. Responsibility to Customers

The Bank places importance on maximum customers' satisfaction and confidence in the Bank. It thus aims to genuinely offer quality products that suit for the customer and also disclose the product and service clearly and completely and excellent services to customers by focusing on their needs and benefits. Furthermore, the Bank shall not make unfair terms and conditions, and must follow the business agreement strictly, honestly, carefully and consistently.

The Bank also places importance on responsibility on all service operation processes (end-to-end process), which is the basic right of the customer. This also support the business's sustainability growth. The Bank raise the higher standard on 9 market conduct management systems: (1) Corporate culture and roles and responsibilities of board of directors and senior management; (2) Product development and client segmentation; (3) Remuneration scheme; (4) Sales process; (5) Communication and training; (6) Data privacy; (7) Problem and complaint handling; (8) 3 lines of defense; (9) Operation and business continuity.

6. Environmental

The Bank places importance on environment preservation through its credit underwriting policy, by not supporting the businesses that could cause both direct or indirect environmental impacts. The Bank also comply with the United Nation Global Compact (UNGC) by providing an environment-friendly work place.

7. Social Development and Community Management

TMB values the importance of community & social development in the way that align with sustainability principles for several ways. The Bank always encourages employee to participate in community improvement projects through FAI-FAH programs by TMB Foundation in order to enhance opportunities and to drive the social responsibility mindset for sustainable change under philosophy "Make THE Difference".

Bank also encourage the employees to develop their knowledge and skill and set the internal project for creating on new product development and providing better customer's experience.

8. Innovations and Distribution of Innovations

The Bank encourages employees to creatively develop and improve working process for efficient and effective operations. This results in cost-efficiency improvement, an efficient use of resources, a faster service which leads to an increase in customers' satisfaction.

From the 8 principles mentioned above can be summarized with the Bank's stakeholders in table as follows:

8 Core Principles /Stakeholders	Fair Trade Practice	Anti-Corruption	Human Rights	Fair Labor Treatment	Responsibility to customer	Community and social development	Environmental management	Innovation and Distribution of Innovation
Shareholders	✓	✓			✓	✓		
Employees	✓	✓	✓	✓		✓	✓	✓
Customers	✓	✓			✓	✓	✓	✓
Business partners	✓	✓		✓				
Creditors	✓							
Competitors	✓							
Investors	✓	✓						
Government Agencies		✓				✓		

10.2 Materiality

TMB conducted materiality assessment to identify and prioritize sustainability topics that are important to the Bank and stakeholders in 2019.

Materiality Assessment Process			
1. Identification Identify and examine sustainability topics that have potential impacts on TMB	2. Prioritization Assess the significance of material topics based on risk assessment criteria, and inputs from relevant functions, top management and stakeholders	3. Validation Review and approve the material topics by Top Management and Board of Directors	4. Review Regularly review the relevance and significance of material issues by engaging with internal and external stakeholders

Following the 4 steps of materiality assessment, 12 material topics were identified as material topics.

1. Customer experience
2. Digital transformation
3. Data privacy and protection
4. IT System and cybersecurity
5. Corporate governance
6. Market conduct

- 7. Risk management
- 8. Talent attraction and retention
- 9. Financial literacy and inclusion
- 10. Responsible lending
- 11. Climate change risk and opportunity
- 12. Our environmental impact

Further details of project could be found in Sustainability Report from TMB website www.tmbbank.com or <https://www.tmbbank.com/sustainability/our-position.html>

10.3 Policy implementation

Further details of policy implementation could be found in Sustainability Report from TMB website www.tmbbank.com or <https://www.tmbbank.com/sustainability/our-position.html>

11. Internal and Risk Management Control**11.1 Opinion of the Board of directors on Internal Control and Risk Management**

Internal control is an important cornerstone of the bank's operating model and strategic direction, both at management and operational levels, emphasizing sound organizational structure, segregation of duties, and delegation of authority of decision-making. This to ensure that the interests of all the bank's stakeholders and the bank own benefits are appropriately taken into account. The Board of Directors (through the Audit Committee, Risk Management Committee, and Nomination, Remuneration and Corporate Governance Committee) has been tasked with oversight of internal controls, risk management policies & processes and good governance. Audit carries out reviews over the Bank's overall operations, related and connected transactions and reports findings to the Audit Committee and the Audit Committee reports to the Board of Directors accordingly. This is to provide assurance to Directors and support Directors and Management with reporting in order to take initiatives, if deemed appropriate.

The Board of Directors meeting no. 2/2563 held on 23 January 2020, attended by members represented in the Audit Committee, has reviewed the report on the Bank's internal control assessment proposed by Head of Audit. Internal auditors conducted the assessment based on the Internal Control Core Components; Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

The Bank's internal control and risk management are generally at the appropriate level which require continual improvements in order to meet changes and emerging risk in business environment of digital world. The Board of Directors is aware of the current status of the Bank's internal controls and risk management, and exercises supervision over management's efforts on ongoing internal control improvement. Moreover, Audit Committee has recommended management taking remedial actions to address identified deficiencies and reporting progress to the committee and the Board of Directors on a regular basis.

11.2 Statement of the Audit Committee

In 2019, the Bank's Audit Committee, served fully by independent directors who were not the bank's executives or employees of any kind, carried out its responsibilities, within its given authority and in accordance with the guidelines set out by the Stock Exchange of Thailand and the Bank of Thailand. Major areas of responsibilities can be summarized as follows:

1. Review the Bank's financial statements to ensure accuracy and adequacy.
2. Review and ensure adequate and efficient internal control.
3. Review connected transaction or transaction which may lead to conflict of interest to ensure transactions are conducted and disclosed in compliance with the law and SET regulation and that transactions are entered with reasonableness for the benefit to the Bank.
4. Review to ensure compliance with the laws and regulations imposed by the SEC, SET and other relevant regulators including compliance report prepared by the Bank's Compliance unit.

5. Select and propose to the Board of Directors and Shareholder meetings the appointment including propose dismissal of Bank's external auditor and annual audit fee. In addition, the Committee is responsible for approving other non-audit-related engagements with the Bank's external auditor.
6. Closely supervise the Bank's internal audit function including approving internal audit plans and assessing audit performance to ensure sufficient audit resources and that all auditing activities were independently and effectively conducted in accordance with the regulatory requirements.
7. Review and follow up on observations of regulators, and external and internal auditors to ensure appropriate response actions.

The Audit Committee held 15 meetings in 2019, and the attendance record of each committee member is reported in the Shareholding and Management section in the Annual Report. Overall, the Audit Committee gained full co-operation from the Management as well as full access to all information relevant to the Bank's operations, necessary for them to discharge their responsibilities. Relevant executive officers were invited to attend and clarify issues in the meetings. The Audit Committee made inquiries and took into account clarifications from the Management and the external auditor as to the accuracy and adequacy of the financial statements and the sufficient disclosure of information. The Audit Committee is of the opinion in agreement with external auditor that the Bank's financial reports fairly present accurate and reliable information in material aspects in compliance with generally accepted accounting principles. In addition, any transactions which may cause conflict of interest were reviewed to verify they were reasonable and appropriate, most of them being found to be in the normal course of business or supporting normal course of business conducted on an arm's length basis. Furthermore, the Audit Committee has assessed the performance, independence of external auditor and also periodically changes of the external auditor has been made appropriately and compliance with the regulatory requirement. The Audit Committee agreed to propose the Board of Directors to seek shareholders' meeting approval on the appointment and remuneration of the independent auditors of KPMG to be the Bank's independent auditors for the year 2020.

The Bank's internal control systems and regulatory related compliance are generally at the appropriate level which require continual improvements in order to meet changes and emerging risk of business environment in digital world. The bank continually pays high attention to the internal control execution and enforcement, providing necessary training to the staff including follow up issues, investigation, root causes and corrective measures, imposing of disciplinary action to assure internal control effectiveness. Moreover, Audit Committee has emphasized the management to take remedy actions to address deficiencies identified and report progress to the Audit Committee regularly.

11.3 Gate Keepers

11.3.1 Detail Heads of Internal Audit

The Board of Directors has appointed Mr. Sunthorn Ruckpanich to hold position of Head of Internal Audit. (see more detail of education, work experience, and training in attachment 1).

11.3.2 Detail Heads of Internal Audit and Compliance

The Board of Directors has appointed Mr. Varoon Kanjanapoo to hold position of Head of Compliance. (see more detail of education, work experience, and training in attachment 1).

12. Related Transactions**12.1 Transactions with related parties which occurred during the year**

Related party disclosures, which comprised of definitions and characteristics of relationship, pricing policy, related parties transactions with key management and other related parties, outstanding balances with related parties, senior management personnel compensation, other benefits payable to the senior management personnel, were disclosed in notes to financial statements for the year ended December 31, 2019.

12.2 Measures or procedures to approve the making of related transactions

In conducting its business, the Bank shall adhere to its principles, integrity, transparency and maximize its interest by emphasizing the prevention of conflicts of interest and also to related party transactions and connected transactions according to the regulatory requirements. To that effect, the Bank requires that its Directors and Senior Management at Head of level and higher to disclose their relations or connections in any business with any conflicts of interest on a quarterly basis. Moreover, the TMB Policy on Confidential & Insider Information and Conflicts of Interest and a Procedure Manual have been issued and enforced in order to eradicate conflicts of interest. Transactions with related parties or connected persons are carried out by the Bank on an arm's length basis. In addition, the Bank's Directors and Executives who may have conflicts of interest in such transactions are neither allowed to participate in the approval thereof, nor to vote in a meeting.

The Bank has no policy to grant any direct loan to Directors or Senior Management. Loans provided to or investments in any entity in which the Bank, its Directors or Senior Management have conflict of interests are subject to the consideration of the project's viability, operational performance or feasibility analysis with terms, conditions and prices to be the same as those approved for other clients in general. The loan or investment amount must be controlled so that it will not exceed an appropriate limit and is subject to unanimous approval of TMB's Board of Directors. The concerned Directors or Executives shall not participate in the approval of such transaction and the approval must be consistent with the regulations of related authorities.

The Bank has assigned the Audit Committee to prevent and mitigate the conflicts of interest. Those transactions that have potential conflicts of interest that exceed the set threshold values or limits must be submitted to the Audit Committee for validation and/or approval prior to execution. Related and/or connected transactions will be disclosed on a complete and transparent basis according to the criteria of the relevant regulators.

Related and/or connected transactions in the future will be executed as per such policy and procedures specified. The Policy and procedures will be updated regularly and also whenever there are changes in related laws and regulations. For those transactions that fall below the set threshold values or limits, a report will be prepared and submitted periodically to the Audit Committee. Information on all of these transactions will be completely and transparently disclosed in accordance with the criteria set by the regulator.

For future related party transactions, the Bank shall continue to adhere to its principles to maximize the interest of the Bank and our shareholders, whereby at a minimum, pricing and terms and conditions will be on arm's length basis in accordance with the above mentioned Policy and Operational Guidelines. Also, the Policy and the Operational Manual will be updated to be in line with the changes of the regulatory requirements and internal criteria.

12.3 Persons who may have conflicts of interest to hold more than a 5% of stake in subsidiary company or associated company instead of direct shareholding by the Bank

The Bank has not allowed any person who may have a conflicts of interest to hold more than a 5% of stake in subsidiary company or associated company on its behalf.

Part 3: Financial Position and Operational Performance**13. Key Financial Information**

Investors are recommended to read the Management discussion and analysis together with the Bank's financial statements which contain a summary of the key accounting policy. In certain cases, the Management has to exercise subjective judgments and estimates on the projected assumption of any such business items for the preparation of the Bank's financial statements in conformity with Thai Financial Reporting Standards.

13.1 Summary of financial statements

The financial statements for the years ended December 31, 2017-2019 were audited by Mr. Chanchai Sakulkoedsin, CPA No. 6827, of KPMG Phoomchai Audit Limited.

13.2 Summary of audit report**Summary of audit report for the years ended December 31, 2017 - 2019**

Mr. Chanchai Sakulkoedsin of KPMG Phoomchai Audit Limited audited the consolidated and bank only financial statements for the year ended December 31, 2017-2019 in accordance with Thai Standards on Auditing and expressed an unqualified opinion.

13.3 Summary of consolidated financial statements over the past three years

Consolidated statements of financial position

(Unit: THB million except percentages)

Assets	As at December 31,					
	2019	As % of total Assets	2018	As % of total assets	2017	As % of total assets
Assets						
Cash	23,853	1.3	15,234	1.7	17,872	2.1
Interbank and money market items, net	236,11	12.7	113,522	12.7	112,534	13.3
Derivative assets	10,399	0.6	7,917	1.0	8,674	1.0
Investments, net	166,265	8.9	73,477	8.2	61,305	7.3
Investments in subsidiaries and associate, net	8,953	0.5	4,577	0.5	-	-
Loans to customers and accrued interest receivables, net						
Loans to customers	1,458,961	78.5	685,793	77.0	643,425	76.2
Accrued interest receivables	1,883	0.1	1,308	0.1	969	0.1
Total loans to customers and accrued interest receivables	1,460,844	78.6	687,101	77.1	644,394	76.3
Less deferred revenue	(66,736)	(3.6)	(86)	-	(52)	-
Less allowance for doubtful accounts	(44,538)	(2.4)	(31,976)	(3.6)	(24,639)	(2.9)
Less revaluation allowance for debt restructuring	(939)	(0.1)	(999)	(0.1)	(330)	-
Total loans to customers and accrued interest receivables, net	1,348,630	72.5	654,040	73.4	619,373	73.4
Properties for sale, net	4,810	0.3	2,614	0.3	2,213	0.3
Premises and equipment, net	23,642	1.3	11,876	1.3	12,071	1.4
Goodwill and other intangible assets, net	22,363	1.2	2,592	0.3	2,132	0.3
Deferred tax assets	1,496	0.1	401	-	683	0.1
Other receivables, net	4,969	0.3	1,251	0.1	1,690	0.2
Other assets, net	6,499	0.3	4,212	0.5	5,325	0.6
Total assets	1,858,190	100.0	891,713	100.0	843,872	100.0

Consolidated statements of financial position (continued)

(Unit: THB million except percentages)

Liabilities and equity	As at December 31,					
	2019	As % of total assets	2018	As % of total assets	2017	As % of total assets
Liabilities						
Deposits	1,398,112	75.2	649,568	72.9	611,430	72.5
Interbank and money market items	86,626	4.7	64,267	7.2	60,349	7.2
Liabilities payable on demand	3,382	0.2	3,505	0.4	3,665	0.4
Financial liabilities designated at fair value through profit or loss	418	-	396	-	386	-
Derivative liabilities	9,719	0.5	7,328	0.8	8,559	1.0
Debts issued and borrowings, net	108,835	5.9	35,124	4.0	33,351	4.0
Provisions for employee benefits	5,150	0.3	1,221	0.1	1,301	0.2
Provisions for other liabilities	1,855	0.1	630	0.1	544	0.1
Deferred tax liabilities	4,730	0.3	-	-	-	-
Deferred revenue	18,186	1.0	17,594	2.0	18,908	2.2
Other liabilities	26,366	1.4	13,301	1.5	15,523	1.8
Total liabilities	1,663,379	89.6	792,934	89.0	754,016	89.4
Equity						
Share capital						
Authorised share capital						
106,223,552,373 ordinary shares of Baht 0.95 each (31 December 2018 and 2017: 44,108,738,479 ordinary shares)	100,912	5.4	41,903	4.7	41,903	5.0
Issued and paid-up share capital						
96,359,354,380 ordinary shares of Baht 0.95 each (31 December 2018: 43,851,893,110 ordinary shares and 31 December 2017: 43,839,858,871 ordinary shares)	91,541	4.9	41,659	4.7	41,648	4.9
Premium on share capital	43,217	2.3	404	-	379	-
Other reserves	6,042	0.3	4,811	0.5	5,097	0.6
Retained earnings						
Appropriated - Legal reserve	3,360	0.2	3,000	0.3	2,550	0.3
Unappropriated	50,617	2.7	48,905	5.5	40,182	4.8
Equity attributable to equity holders of the Bank	194,777	10.4	98,779	11.0	89,856	10.6
Non-controlling interest	34	-	-	-	-	-
Total equity	194,811	10.4	98,779	11.0	89,856	10.6
Total liabilities and equity	1,858,190	100.0	891,713	100.0	843,872	100.0

Consolidated statements of profit or loss and other comprehensive income

(Unit: THB million except percentages)

	For the year ended December 31,					
	2019	As % of total income	2018	As % of total income	2017	As % of total income
Interest income	39,837	71.1	35,128	56.6	34,713	68.9
Interest expenses	12,972	23.2	10,631	17.1	9,979	19.8
Net interest income	26,865	47.9	24,497	39.5	24,734	49.1
Fees and service income	11,343	20.2	12,764	20.6	13,533	26.9
Fees and service expenses	3,245	5.7	3,427	5.5	2,947	5.9
Net fees and service income	8,098	14.5	9,337	15.1	10,586	21.0
Gains on trading and foreign exchange transactions, net	1,528	2.7	1,529	2.4	1,147	2.3
Losses on financial liabilities designated at fair value through profit or loss, net	(22)	-	(11)	-	(24)	-
Gains on investments, net	1,956	3.5	11,963	19.2	64	0.1
Share of profit from investment using equity method	324	0.6	64	0.1	-	-
Other operating income	1,072	1.9	663	1.1	932	1.8
Total operating income	39,821	71.1	48,042	77.4	37,439	74.3
Other operating expenses						
Employee expenses	9,629	17.2	8,198	13.2	8,511	16.9
Directors' remuneration	48	0.1	44	0.1	45	0.1
Premises and equipment expenses	3,597	6.4	3,431	5.5	3,384	6.7
Taxes and duties	1,358	2.4	1,264	2.1	1,250	2.5
Others	6,042	10.8	4,538	7.3	4,602	9.1
Total other operating expenses	20,674	36.9	17,475	28.2	17,792	35.3
Profit from operations before impairment loss on loans and debt securities and income tax	19,147	34.2	30,567	49.2	19,647	39.0
Impairment loss on loans and debt securities	10,337	18.5	16,100	25.9	8,915	17.7
Profit from operations before income tax	8,810	15.7	14,467	23.3	10,732	21.3
Income tax	1,588	2.8	2,866	4.6	2,004	4.0
Profit for the year	7,222	12.9	11,601	18.7	8,728	17.3

Consolidated statements of profit or loss and other comprehensive income (continued)

(Unit: THB million except percentages)

	For the year ended December 31,					
	2019	As % of total income	2018	As % of total income	2017	As % of total income
Other comprehensive income						
Items that will be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investments	423	0.7	(80)	(0.1)	103	0.2
Losses arising from translating the financial statements of foreign operations	(41)	(0.1)	(10)	-	(51)	(0.1)
Income tax relating to items that will be reclassified subsequently to profit or loss	(76)	(0.1)	18	-	(10)	-
	306	0.5	(72)	(0.1)	42	0.1
Items that will not be reclassified subsequently to profit or loss						
Change in revaluation surplus on assets	1,338	2.4	(48)	(0.1)	(40)	(0.1)
Actuarial gains (losses) on post-employment benefit plan	(112)	(0.2)	79	0.1	193	0.4
Income tax relating to items that will not be reclassified subsequently to profit or loss	(245)	(0.4)	(6)	-	(31)	(0.1)
	981	1.8	25	-	122	0.2
Total other comprehensive income for the year, net of income tax	1,287	2.3	(47)	(0.1)	164	0.3
Total comprehensive income for the year	8,509	15.2	11,554	18.6	8,892	17.7
Profit attributable to:						
Equity holders of the Bank	7,222	12.9	11,601	18.7	8,687	17.2
Non-controlling interest	-	-	-	-	41	0.1
Profit for the year	7,222	12.9	11,601	18.7	8,728	17.3
Total comprehensive income attributable to:						
Equity holders of the Bank	8,509	15.2	11,554	18.6	8,851	17.6
Non-controlling interest	-	-	-	-	41	0.1
Total comprehensive income for the year	8,509	15.2	11,554	18.6	8,892	17.7
Earnings per share						
Basic earnings per share (in Baht)	0.1485		0.2646		0.1982	
Diluted earnings per share (in Baht)	0.1485		0.2646		0.1981	

Due to the change in the shareholding structure during the period that on December 3, 2019, the bank has acquired shares in TBANK, as a result, TBANK is currently a subsidiary of the Bank. If the acquisition had occurred on 1 January 2019, management estimates that consolidated profit for the year would have increased by approximately Baht 10,000 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019. The consolidated profit is estimated by not include profit or loss which is relevant to business restructuring of acquired subsidiary.

Consolidated statements of cash flows

(Unit: THB million)

	For the year ended December 31,		
	2019	2018	2017
Cash flows from operating activities			
Profits from operations before income tax	8,810	14,467	10,732
Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities			
Depreciation and amortisation	1,730	1,425	1,340
Impairment loss on loans and debt securities	10,337	16,100	8,915
Impairment loss on premises and equipment (reversal of)	(68)	10	23
Impairment loss on properties for sale and other assets	579	124	286
Provisions for employee benefits and other liabilities	661	157	19
Impairment losses on investment (reversal of)	-	1	(22)
Losses (gains) on revaluation of trading investments	(5)	2	-
Losses on written-off of intangible assets	14	-	9
Gains on disposal of premises and equipment	(80)	(17)	(43)
Gains on disposal of investments	(1,956)	(113)	(43)
Profit on the loss of control of a subsidiary	-	(11,851)	-
Unrealised losses on remeasurement of financial liabilities designated at fair value through profit or loss	22	11	24
Unrealised losses (gains) on exchange on derivatives	526	(471)	(383)
Unrealised gains on exchange on debentures and long-term borrowings	(815)	(74)	(1,027)
Expenses in relation to share-based payments	-	1	15
Share of profit from investments accounted for using the equity method	(324)	(64)	-
Deferred revenue	(1,940)	(1,310)	-
Net interest income	(26,865)	(24,497)	(24,734)
Dividend income	(261)	(19)	(32)
Interest received	38,639	33,593	33,783
Interest paid	(11,078)	(9,339)	(8,626)
Income tax paid	(2,792)	(1,288)	(2,252)
Profits from operations before changes in operating assets and liabilities	15,134	16,848	17,984

Consolidated statements of cash flows (continued)

(Unit: THB million)

	For the year ended December 31,		
	2019	2018	2017
Decrease (increase) in operating assets			
Interbank and money market items	42,464	(5,032)	1,327
Trading investments	(3,999)	(674)	9,594
Loans to customers	(9,525)	(50,469)	(59,532)
Properties for sale	778	(209)	252
Other receivables	(159)	358	166
Other accrued income	(155)	249	(198)
Other assets	(220)	(314)	551
Increase (decrease) in operating liabilities			
Deposits	5,193	38,073	12,416
Interbank and money market items	(26,659)	3,917	14,932
Liabilities payable on demand	(1,857)	(160)	(367)
Financial liabilities designated at fair value through profit or loss	(1)	-	-
Short-term debts issued and borrowings	-	-	(749)
Provision for obligations or transfers of non-performing assets	-	-	(1,317)
Provisions for employee benefits	(100)	(246)	(144)
Provisions for other liabilities	(1,646)	(51)	(19)
Account payables	(960)	183	323
Other accrued expenses	152	(214)	991
Other liabilities	1,069	(2,094)	22,349
Net cash provided by operating activities	19,509	165	18,559

Consolidated statements of cash flows (continued)

(Unit: THB million)

	For the year ended December 31,		
	2019	2018	2017
Cash flows from investing activities			
Interest received	1,229	1,373	1,302
Dividend received	405	19	32
Purchase of available-for-sale investments	(78,465)	(80,860)	(50,780)
Proceeds from sales of available-for-sale investments	111,714	76,805	41,535
Purchase of held to maturity debt securities	(18,617)	(12,900)	(3,984)
Proceeds from redemption of matured held to maturity debt securities	7,716	5,286	5,285
Purchase of general investments	(34)	-	-
Proceeds from sales of general investments	79	102	121
Purchase of investments in subsidiaries	(167,070)	-	(258)
Proceeds from reduction and sales of investment in a subsidiary	-	11,438	-
Purchase of premises and equipment	(1,250)	(1,068)	(1,020)
Purchase of leasehold rights	(3)	(5)	(2)
Purchase of intangible assets	(1,168)	(1,019)	(761)
Proceeds from disposals of premises and equipment	207	141	132
Net cash used in investing activities	(145,257)	(688)	(8,398)
Cash flows from financing activities			
Proceeds from long-term borrowings	20	-	-
Repayments of long-term borrowings	(14)	(13)	(12)
Interest paid on long-term debts issued and borrowings	(1,850)	(1,320)	(1,195)
Cash receipts on debenture issued	59,661	4,868	5,430
Cash paid for redemption of debenture	(19,622)	(3,009)	(10,350)
Increase in issued and fully paid-up - ordinary shares	92,549	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(1)	(1)
Dividend paid to equity holders of the Bank	(5,207)	(2,630)	(2,623)
Dividend paid to non-controlling interest	-	-	(18)
Net cash provided by (used in) financing activities	125,537	(2,105)	(8,769)
Change in translation adjustments of foreign operations	(41)	(10)	(51)
Net increase (decrease) in cash	(252)	(2,638)	1,341
Cash at 1 January / 4 December for a subsidiary acquisition through Business combination	24,105	17,872	16,531
Cash at 31 December	23,853	15,234	17,872

13.4 Key financial ratios

Consolidated financial statements	For the year ended December 31,		
	2019	2018	2017
Profitability ratio			
Gross profit margin (%) ⁽¹⁾	67.4	69.7	71.3
Net profit margin (%)	12.9	18.7	17.3
Return on equity (%)	6.5	12.4	10.0
Interest income (%) ⁽²⁾	4.4	4.4	4.5
Interest expenses (%) ⁽³⁾	1.5	1.5	1.4
Interest margin (%)	2.8	2.9	3.1
Return on investment (%)	4.3	19.7	2.3
Efficiency ratio			
Cost to income (%) ⁽⁴⁾	50.6	36.4	47.3
Net interest income to assets (%)	2.8	2.8	3.0
Return on assets (%)	0.7	1.4	1.1
Asset turnover (time)	0.06	0.07	0.06
Financial policy ratio			
Debt to equity ratio (time)	8.5	8.0	8.4
Loans to borrowings (%)	92.2	99.6	99.2
Loans to deposits (%)	99.6	105.6	105.2
Deposits to total liabilities (%)	84.1	81.9	81.1
Dividend payout ratio (%) ⁽⁵⁾	43.7	34.8	31.1
Capital adequacy ratio (%) ⁽⁶⁾	18.9	17.3	17.4
Asset quality ratio			
Allowance for doubtful debts to total loans (%)	3.3	4.8	3.9
Bad debt to total loans (%)	1.1	1.1	1.4
NPLs coverage (%) ⁽⁷⁾	120	152	143
NPLs to total loans (%) ⁽⁸⁾	2.3	2.8	2.4
Accrued interest receivable to total loans (%)	0.1	0.2	0.2

(1) Gross profit margin = net interest income / interest income

(2) Interest income = interest income / average earning assets⁽⁹⁾

(3) Interest expenses = interest expenses / average interest-bearing liabilities⁽¹⁰⁾

(4) % Cost to income = operating expenses (excluded extra-ordinary items and credit related items) / net interest income + net fee and service income + other operating income(excluded extra-ordinary items and credit related items)

(5) Dividend payout ratio = dividend paid / net profit (Bank only); Dividend payout ratio of 2018 is in accordance with the proposition to the Annual General Meeting of Shareholders in April 2019

(6) Capital adequacy ratio used the guidelines specified in the BoT's notification (Bank Only)

(7) % NPLs coverage = allowance for doubtful debts + revaluation allowance for debt restructuring / NPLs

(8) % NPLs to total loans used the guidelines specified in the BoT's notification

(9) Average earning assets = average loans + average interest-bearing interbank and money market items (assets) + average investments in debt securities

(10) Average interest-bearing liabilities = average deposits + average interest-bearing interbank and money market items (liabilities) + average debts issued and borrowings

14. Management Discussion & Analysis**Economic conditions and outlook****Thai Economy in 2019**

In 2019, Thai economy faced several ongoing challenges including global economic slowdown, prolonged trade war and heightened financial market volatility. This resulted in decelerating growth in several economic activities. With clearer sign of global slowdown, heightened pressure from US-China trade war as well as continuing Thai baht appreciation, Thai merchandise exports in the first six months contracted 2.9%, particularly the exports to China which contracted 10% from the previous year. Electronics was the mostly affected manufacturing sector due to being parts of China's supply chain. Likewise, Thai tourism sector was impacted by global economic slowdown, reflected by the growth of inbound tourists remaining at only 0.7%. This was a consequence of slow recovery of Chinese tourists after the boat accident in Phuket in the second half of 2018. For domestic economy, there were signals of declining growth momentums especially in private investment, both capital investment and construction. However, private consumption continuously expands due to the supporting factors of growing farm incomes, expanding durable consumption and government's stimulus measures in the second quarter. These factors helped shoring up Thailand's GDP in the first half to be at 2.7%.

In the second half of the year, the US-China trade dispute became more intensified due to tax retaliation that resulted in additional tariff on \$300 billion worth of exported Chinese goods to the US from July 2018 to August 2019, posing widely negative impacts on China's supply chains. In November 2019, Thai exports of goods contracted 7.4%, hitting the lowest point in the past 3 years. For 2019, the values of merchandise exports were worth 264 billion dollar or decreased by 2.7%, while exports to China contracted 4%. The continuing contraction in goods exports clearly posed negative impact on domestic economy. Private investment decelerated both in manufacturing and construction, associating with low budget disbursement in the fourth quarter at only 4% due to the prolonged delay in 2020 government budget bill. Private consumption which gained temporary supports from government stimulus measures remained as a significant economic growth driver. This was reflected by the expansion in non-durables and services. In addition, tourism sector recovered due to the rebound of Chinese tourists, leading to the total inbound tourists of 39.8 million persons or rose by 3.9% in 2019. Due to merchandise exports contraction and domestic slowdown, the launch of government stimulus package in the fourth quarter together with the rebound of foreign tourists in the second half of the year however could not compensate all the negative impacts. Thai economy accordingly grew at slower pace at only 2.4%, hitting the record low in the last 5 year. For financial sector, the monetary policy committee decided to cut rate 2 times, in August and November 2019, resulting in the policy rate moving down from 1.75% to be at 1.25% due to a clearer signal of economic decline. The annual average of Thai baht was at 31.05 baht per dollar, appreciated by 3.9% from the previous year because of strong fundamentals of current account surplus and continuing capital inflows from abroad according to the perception of Thai baht as safe haven.

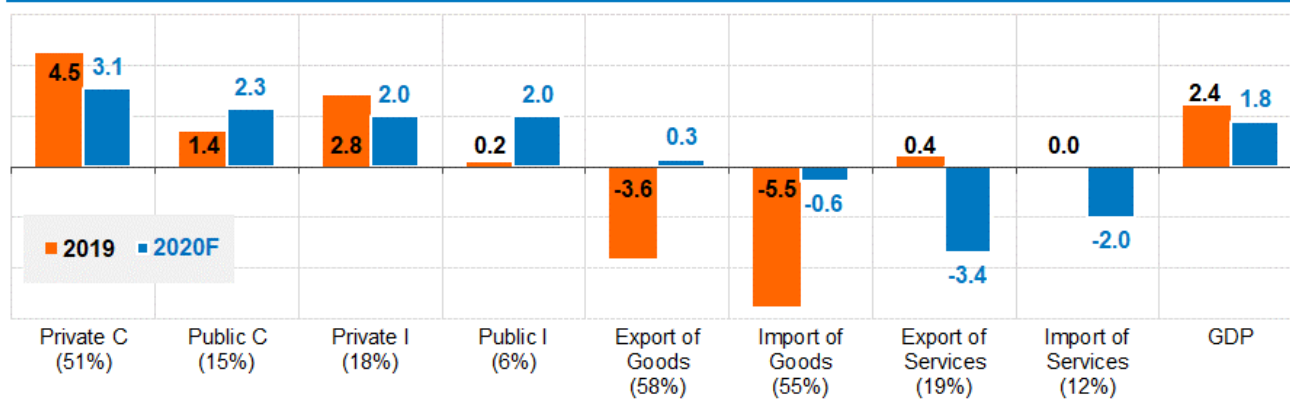
Economic Outlook for 2020

In 2020, Thai economy is projected to consistently encounter headwinds from both external and internal sides with stronger impacts. This will lead to slower momentums in each growth driver. For external side, global economy is forecasted to recover with slower pace, reflecting in the IMF's global economic growth outlook at 3.4% which is even though higher from the previous year but mainly due to the lower base effect in the growth of emerging markets. For developed economies including US eurozone and Japan, as well as Chinese economy will expand at a slower pace. Regarding trade war between US and China, though there is a better signal from the agreement in the first phase of trade deal, the uncertainties however remain in future negotiations. This will result in most of the imported goods from China to the US consistently facing high tariff rates. In addition, the COVID-19 outbreak, originating in China to many countries at the beginning of this year, has led to the launch of Chinese government's several restricted controlling measures so as to prevent further spreading of the virus e.g. transportation lockdown in several Chinese towns with high risks and bans of Chinese outbound tours. These incidents are estimated to pose severe impacts on Thai tourism sector and the recovery of Thai merchandise exports. TMB Analytics therefore projects Thai merchandise exports in dollar term to contract 0.5% in 2020. Meanwhile, the estimated foreign tourist numbers of 2020 are at 38.7 million persons, contracting 2.8% from previous year.

Domestic economic activities also tend to be weaker in most aspects. Private consumption will be affected by decelerating rate of durables consumption and severe drought which is seemed to be at the same degree impact as the incident in 2005 and to pose negative impacts on farm incomes. Public investment is expected to decline with a great extent particularly in the first half of 2020 due to the delayed government budget bill; however, the budget is expected to be disbursed in the second quarter. Coupling with prolonged infrastructure investments in the EEC project which are accounting for 30% of annual government budget, these factors are expected to result in a decline in public expenditures of more than 60 billion dollars. Private investment is also forecasted to expand by only 2.0% in line with low capital utilization and fragile exports recovery. Due to stronger headwinds, Thailand's government has launched some economic stimulus packages such as farmers' income guarantee schemes, soft loans by government's special financial institutions as well as tax measures. These public stimulus programs are however evaluated not being able to offset all negative impacts on Thai economy. TMB Analytics accordingly forecasts that Thai economy's growth in 2020 will decelerate to be at 1.8%.

Regarding financial market, the Monetary policy committee decided to cut the policy rate further to the record low from 1.25% to 1.0% in February 2020. TMB Analytics views that the rate will remain at 1% till the end of the year in order to support Thailand's economic recovery. For Thai baht, it is projected to be in a depreciation trend, moving between 31.0 to 31.7 baht per dollar, due to heightened risks in Thai economy, less current account surplus and the US dollar's appreciating trend.

Thai Economic Growth in 2020



Source : NESDB, MOC and TMB Analytics

() indicates percentage share to GDP

Discussion of operating performance

Executive summary

2019 Deposit and loan doubled in size largely from consolidation with TBANK and provide its opportunity to prepare on balance sheet optimization after merger. Capital position still healthy to support for future growth. TMB remained prudent in setting provision while TBANK set higher provision for conservation risk alignment. The Bank continued to extra NPL write off to reduce future downside risk. As a result, NPL ratio reduced to 2.30% while coverage ratio on bank-only was maintained high at 140%.

THB 1,398 billion of deposit led by the consolidation of TBANK and TMB's flagship products: TMB remained to focus on deposit-led strategy and to extend value proposition to deliver better customer experience after merger. Overall, deposit expanded 115.2% YTD to THB1,398 billion as of December 2019. The substantial growth was led by a consolidating financial statement with TBANK while transactional deposit and non-transactional deposit also grew on track. TMB's retail flagship product continued its positive momentum, supported by TMB All Free +9.2% YTD, ME Save +7.2% YTD and TMB No-Fixed +4.4% YTD growth. Nevertheless, total deposit on bank-only rose at moderate pace at 2.1% YTD, primarily driven by retail and large corporates. After consolidation with TBANK, the Bank continued to optimize deposit mix by replacing TD of Merged Bank with No-Fixed deposit.

Loan grew 6.6%, led by retail mortgage: To ensure portfolio quality, TMB has selectively grew loans as well as gradually resumed Small SME loans as Thai economy recovered unevenly while facing with external volatilities. Consequently, loan rose 6.6% YTD to THB686 billion. Key driver was retail segment (+17.8), especially from mortgage (+19.7%). This followed by large corporate segment (+5.1%), mainly from trade finance (+17.7%) Small SME loans remained on recovery trend and registered its growth at 1.7% from last year.

Doubled in size of loan contributed by fully integrating TBANK's loan: As of December 2019, total loan totaled THB1,392 billion, significantly grew by 103.0% YTD. The notable increase was mainly from the integrating TBANK's loans after merger especially in hire purchase segment. After consolidated with TBANK, the loan mix has changed and shift towards retail loans which accounted for 56% of total loan from 31% as of December 2018. While commercial loans reduced to 44% from 68% of total loans. On bank-only basis, mortgage loans remained the key driver and registered 10.9% YTD growth while commercial loans still slowed down which contracted by 8.2% YTD. The decrease was in line with Bank's strategy in preparation for balance sheets optimization after merger.

10% growth in NII was driven by the HP loans while Non-NII contracted by gain from TMBAM: TMB reported 12M19 net interest income of THB26,865 million, rose by 9.7% YoY. Key driver was due to the recognition of interest income on hire purchase into TMB account despite NIM declined to 2.81% in 2019. NIM reduction was due mainly to high end-balance of balance sheet with 28 days profit and loss of TBANK together with a marginal decline in yield on loan owing to interest rate cuts. Meanwhile, Non-NII dropped YoY largely by TMB's TMBAM one-time profit booked in 2018 and slowing mutual fund and bancassurance fees. Operating income, therefore, recorded at THB39,821 million, decreased by 17.1% in 2019. If excluded one-time gain on TMBAM, Non-NII registered 10.8% growth.

Lower PPOP was largely pressured by top line growth and high OPEX: Total operating income declined by 17.1% YoY while operating expense rose by 18.3% YoY, largely from higher operating expense on TMB and the recognition of TBANK's expenses as subsidiary company. As a result, PPOP for the 12 month decreased by 35.6% YoY to THB19,658 million.

Asset quality remained in line with target: To mitigate and limited downside risk, prudent risk and asset quality management has been one of the Bank's priorities. TMB remained prudent in setting provision while TBANK set higher provision for conservation risk alignment. In total, the Bank set aside provision of THB10.3 billion in 2019, of which THB1.4 billion coming from provision of TBANK. Meanwhile the Bank has continued to proactively wrote off NPLs of THB4.0 billion in this quarter. NPL ratio, as a result, reduced to 2.30% while coverage ratio on bank-only was maintained at 140%, still in target. After provision, TMB reported THB7,222 million of net profit. The figure decreased by 37.7% YoY and represented a return on equity (ROE) of 6.5%.

Analysis of operating performance for the accounting year as of 31 December 2019, in comparison to 31 December 2018 is as follows;

Statement of comprehensive income

(Unit: THB million)

For the year ended December 31

	2019	2018
Interest income.....	39,837	35,128
Interest expense.....	12,972	10,632
Net interest income	26,865	24,497
Fees and service income.....	11,343	12,764
Fees and service expenses	3,245	3,426
Net fees and services income	8,098	9,338
Other operating income.....	4,858	14,208
Non-interest income	12,956	23,545
Total income.....	39,821	48,042
Total other operating expenses	20,674	17,475
Impairment loss on loans and debt securities	10,337	16,100
Profit before income tax	8,810	14,467
Income tax	1,588	2,866
Profit for the year	7,222	11,601
Other comprehensive income(loss)	1,287	-48
Total comprehensive income	8,509	11,554
Net profit for the period attributable to equity holders of the parent	7,222	11,554

Note: Consolidated financial statements, included TBANK's result for 28 days

14.1 Operating income

For the year 2019, TMB reported operating income of THB39,821 million, a decrease of THB8,221 million or 17.1% from last year. Net interest income increased by 9.7% from the same period last year, resulting from non-transactional deposit expansion while non-interest income contracted YoY due primarily to the recognition of gain from TMBAM deal in 2018 and lower net fees and service income from mutual fund and Bancassurance sales. Operating expense increased from the same period last year. Details of the Bank's operating performance was as follows.

14.1.1 Net interest income

	For the year ended December 31	
	2019	2018
(Unit: THB million)		
Interest income		
Interest on loans	34,334	32,082
Interest on interbank and money market items	1,965	1,761
Investments in debt securities	1,555	1,220
Investments and trading transactions	131	56
Other.....	30	10
Total interest income	39,837	35,128
Interest expense		
Interest on deposits	6,896	5,627
Interest on interbank and money market items	781	686
Contributions to the Deposit Protection Agency	3,371	2,965
Interest on debt issued and borrowings.....	1,900	1,278
Borrowing fee and others	24	76
Total interest expense	12,972	10,632
Net interest income	26,865	24,497

Note: Consolidated financial statements, included TBANK's result for 28 days

➤ Interest income

As of 31 December 2019, total interest income of the Bank and its subsidiaries was THB39,837 million, an increase of THB4,709 million or 13.4% from 2018. Such increase was due largely to the recognition of interest on hire purchase and financial lease of THB1,823 million and moderate loan growth. Key items are as follows.

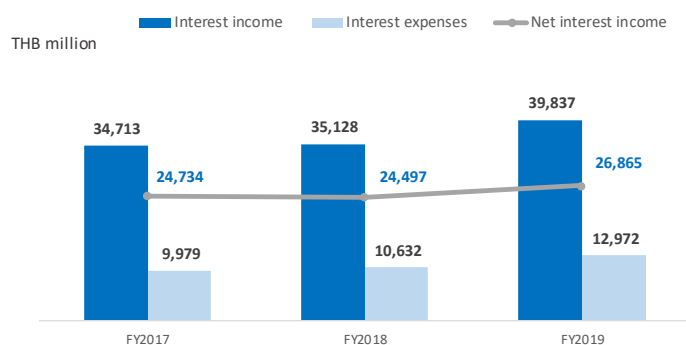
- Interest on loans rose by THB2,253 million or 7.0% from previous year, largely attributed by moderate loan growth.
- Interest on hire purchase and financial lease was THB1,823 million, due to the consolidation of TBANK.
- Interest on interbank and money market items grew by THB203 million or 11.6% YoY.
- Interest on investments in debt securities increased by THB335 million or 27.5% from last year.

➤ Interest expense

At the end of 2019, total interest expenses of the Bank and its subsidiaries was THB12,972 million, an increase of THB2,340 million or 22.0% from last year, due mainly to interest expenses on debt issued and borrowing and interest expense on deposits. Details are shown below.

- Interest expense on deposits increased by THB1,269 million or 22.6% YoY due mainly to deposit expansion.
- Interest expense on interbank and money market items fell by THB95 million or 13.9% YoY.
- Interest on debt issued and borrowing rose by THB622 million or 48.7% YoY, mainly from the issuance of sub-debt and senior EUR bond to support merger activities in 2019.

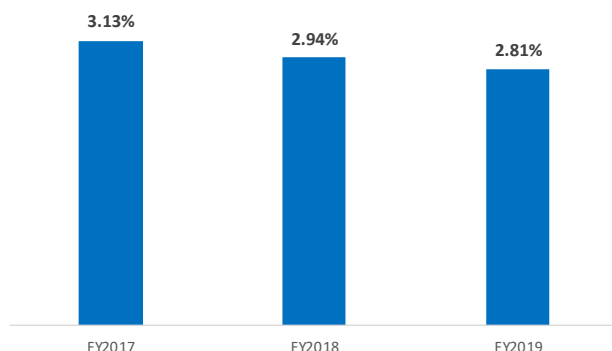
➤ Net interest income



Note: Consolidated financial statement, included TBANK's result for 28 days

The Bank reported THB26,865 million of net interest income, an increase of 9.7% when compared to previous year.

➤ Net interest margin (NIM)



Note: Consolidated financial statement, included TBANK's result for 28 days

Due to an increase in earning assets from the consolidation with TBANK and marginal drop in loan yield, partly to interest rate cuts during the year. Therefore, net interest margin (NIM) dropped to 2.81% from 2.94% in 2018.

14.1.2 Non-interest income

(Unit: THB million)

Fees and service income	
Fee receive credit.....	
Others	
Fees and service expenses	
Net fees and service income	
Gains (losses) on trading and foreign exchange transactions.....	
Gains (losses) on financial instrument designated at fair value.....	
Gains (losses) on investments	
Share of profit from investment using equity method.....	
Gains on sale of assets.....	
Dividend income.....	
Others	
Total non-interest income.....	

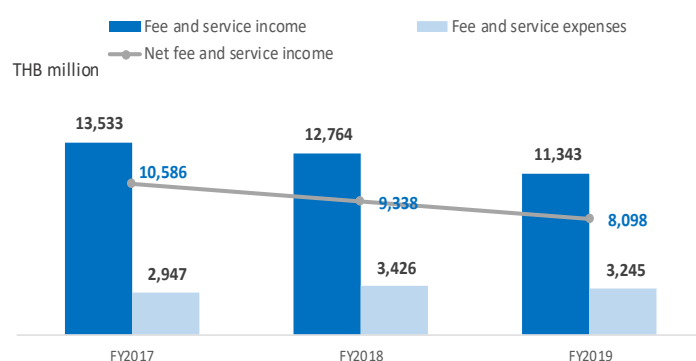
Note: Consolidated financial statement, included TBANK's result for 28 days

For the year ended December 31	
2019	2018
11,343	12,764
362	484
10,981	12,280
3,245	3,426
8,098	9,338
1,528	1,529
(22)	(11)
1,956	11,963
324	64
417	70
26	19
629	574
12,956	23,545

In 2019, total non-interest income of the Bank and its subsidiaries was THB12,956 million, a decrease of THB10,589 million or 45.0% over-year, driven mainly by the recognition of gain from TMBAM deal in 2018 and lower net fees and service income from Bancassurance and mutual sales. Key items are as follows.

- Net fees and service income was reported at THB8,098 million, declined by THB1,240 million or 13.3% from last year. Such decrease was primarily due to a slowdown in retail fees from mutual fund and Bancassurance sales, offsetting with higher net fee income from auto loan business from TBANK.
- Gain on foreign exchange transactions relatively flat YoY to THB1,528 million.
- Share of profit from investment using equity method was recorded at THB324 million, consisted of the recognition 35% in TMBAM stake and profit sharing from 49.9% holding in TFUND as associated company.

Net fees and service income



Note: Consolidated financial statement, included TBANK's result for 28 days

14.1.3 Non-interest expenses

(Unit: THB million)

	For the year ended December 31	
	2019	2018
Non-interest expense		
Personnel expenses.....	9,629	8,198
Premises and equipment expenses	3,598	3,431
Taxes and duties.....	1,358	1,264
Directors' remuneration.....	48	44
Other expense	6,042	4,538
Total non-interest expense	20,674	17,475

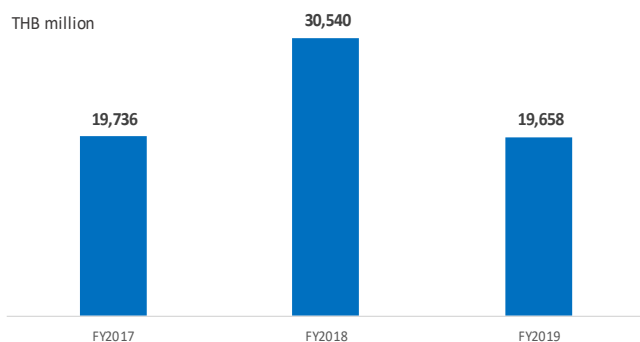
Note: Consolidated financial statement, included TBANK's result for 28 days

At the end of 2019, total non-interest expenses of the Bank and its subsidiaries was THB20,674 million, a rise of THB3,200 million or 18.3% from last year, due to;

- Personnel expenses rose by THB1,430 million or 17.4% YoY, largely came from the one-off set up related to employee retirement benefit due to the new Labor Protection Act booked in 1Q19, HR cost and the recognition of HR expenses of TBANK of 28 days.

- Premise expenses increased by THB167 million or 4.9% from previous year.
- Other expenses rose by THB1,504 million or 33.2% resulting from higher expense from accelerating litigation process, advisory fee related to M&A transaction and computer software amortization.

14.1.4 Pre-provision operating profit (PPOP)



Note: Consolidated financial statement, included TBANK's result for 28 days

The pre-provision operating profit of the Bank and subsidiaries was THB19,658 million contracted by THB10,882 million or 35.6% YoY. If exclude one-time gain from selling TMBAM, PPOP grew by 5.2% YoY.

14.1.5 Bad debt, Doubtful accounts and impairment losses

Provisions for bad debt and doubtful accounts and impairment loss on debt securities were THB10,337 million, a decrease of THB5,764 million or 35.8% from last year. The total provision of THB10.3 billion, THB1.4 billion of which was from TBANK's provision. This is to strengthen balance sheet of the Combined Bank. TMB remained prudent in setting provision while TBANK set higher provision for conservation risk alignment. For coverage ratio, when combined with TBANK's coverage ratio of 102%. Coverage ratio on consolidated basis, therefore, reduced to 120% as of 31 December 2019, compared with 140% as of September 2019 and 152% as of December 2018. However, coverage ratio on bank-only basis stood at 140% as of December 2019.

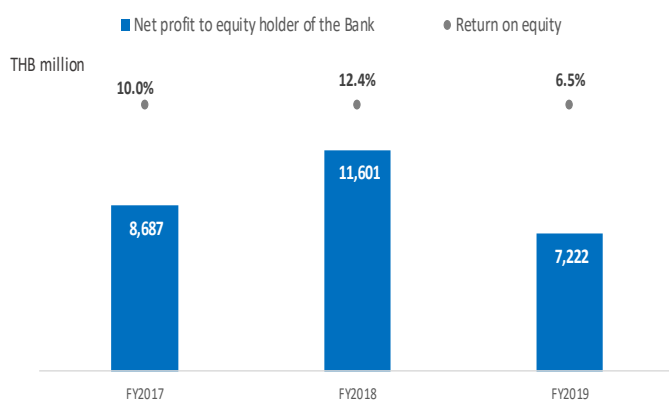
14.1.6 Profit before income tax

The Bank and its subsidiaries recorded profit before income tax at THB8,810 million, declined by THB5,657 million or 39.1% compared to the previous year. Income tax expense in 2019 was THB 1,588 million, a decrease of THB1,278 million or 44.6%.

14.1.7 Net profit

After provision and tax profit, consolidated net profit for the period attributable to equity holders of the Bank was recorded at THB7,222 million, contracted by 37.7% from previous year. This represented a ROE of 6.5%.

Net profit and Return on equity (ROE)



Note: Consolidated financial statement, included TBANK's result for 28 days

14.2 Financial Position

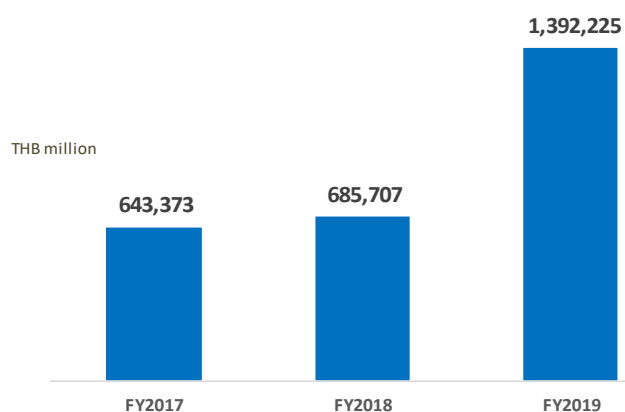
(Unit: THB million)	For the year ended 31 December	
	2019	2018
Cash, Interbank and derivative assets	270,563	136,673
Investments	175,218	78,054
Loans and accrued interest receivables - net	1,392,225	685,707
Accrued interest receivables	1,883	1,308
Less Allowance for doubtful accounts & Revaluation allowance	45,477	32,975
Loans and Allowance - net	1,348,630	654,040
Properties for sale - net	4,810	2,614
Premises and equipment - net	23,642	11,876
Goodwill from transferred business and other intangible - net	22,363	2,592
Deferred tax assets	1,496	401
Other receivables - net	4,969	1,251
Other assets	6,499	4,212
Total Assets	1,858,190	891,713
Deposits	1,398,112	649,568
Interbank and Money Market Items	86,626	64,267
Borrowings	108,835	35,124
Deferred tax liabilities	18,186	17,594
Other liabilities	51,619	26,382
Total Liabilities	1,663,379	792,934
Equity attributable to equity holders of the Bank	194,777	98,779
Non-controlling interest	35	-
Total equity	194,811	98,779
Total liabilities & equity	1,858,190	891,713

Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

14.2.1 Assets

Total assets of the Bank and its subsidiaries as of 31 December 2019 were THB1,858,190 million, an increase of THB966,477 million or 108.4% from last year. The significant increase was mainly resulted from full year consolidating total asset of TBANK of THB1,016 billion into account. Details are as follows.

Total loans



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

1) Loans

As of Dec-19, TMB reported THB1,392,225 million of total loans (excluding accrued interest receivable), an increase of THB706,518 million or 103.0% from last year which contributed to loans from TBANK of THB722 billion. Key growth driver was the fully integrating TBANK's loans after merger.

➤ Loan portfolio by customer segment

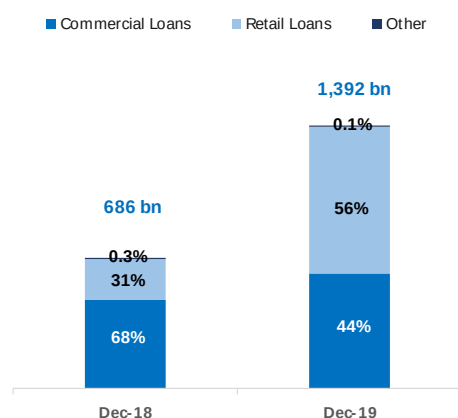
As of 31 December 2019, total loan on bank-only basis was reported at THB671,603 million which declined by THB14,058 million or 2.1% YTD. The contraction was mainly from large corporate and SME segments. However, retail segment especially mortgage loans continued to be the key driver.

The following table sets forth TMB's performing loans by customer segment as at the dates indicated:

	(THB million, %)			
	As at December 31,			
	2019		2018	
	Amount	% of total	Amount	% of total
Commercial Banking.....	606,825	43.6%	468,386	68.3%
Retail Banking.....	783,874	56.3%	215,268	31.4%
Total	663,987	100.0%	643,325	100.0%

Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

Loans by customer segments



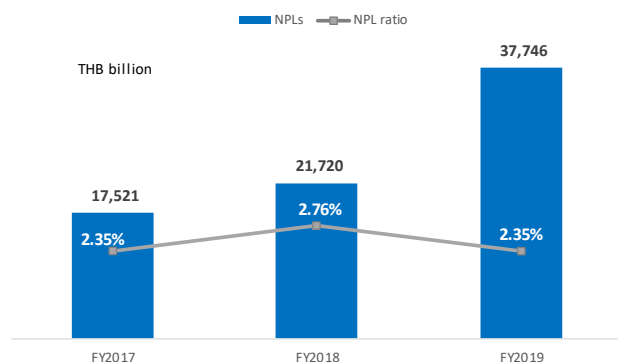
Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

➤ Non-performing loan and NPL ratio

TMB has put priority on asset quality monitoring and continued to manage NPLs with prudence. As of 31 December 2019, the Bank and its subsidiaries' non-performing loans ("NPLs") classified as substandard, doubtful, and doubtful of loss were THB37,746 million, increased by THB16,476 million from end of December 2018 due to the consolidation with TBANK. The Bank's NPL (on bank-only basis) were THB18,150 million, declined by THB3,524 million from 31 December 2018.

As the Bank continued to proactively resolve NPLs through write-off to reduce future downside risks and keep balance sheet clean. In the 4th quarter, the Bank further wrote off amounting to THB4.0 billion. For 2019, TMB made THB15.0 billion of write-off.

Non-performing loans and NPL ratio



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

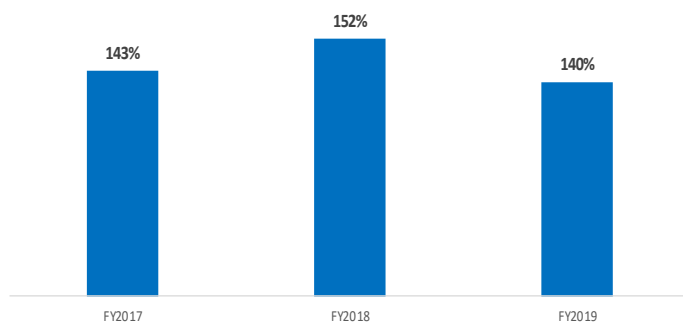
NPL ratio of the Bank and subsidiaries (include interbank loans) was 2.35%, compared with 2.76% as of 31 December 2018. On bank-only basis, NPL ratio (include interbank loans) also stood at 2.33%, compared with 2.76% as of 31 December 2018.

➤ Allowance for loan losses

The allowance in excess of such minimum percentage as specified in the BoT's notifications to cover losses incurred but not yet reported is determined, taking into accounts the relevant factors such as the types of lending, historical loss, the debtor's credit risk, management's experience and so on. The additional provision is determined, taking into accounts the debtor's payment ability, the expected amount to be collected from the underlying collateral and debt management plan etc.

Any additional allowances for doubtful accounts are charged to expense in each accounting period (million) on which it ceased recognition of interest income on an accrual basis.

NPL Coverage ratio



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

As of 31 December 2019, the Bank and its subsidiaries had the allowance for debt restructuring of THB45,477 million, increased by THB12,502 million, as a result of consolidation of TBANK of which the allowance for loan losses represented THB20 billion.

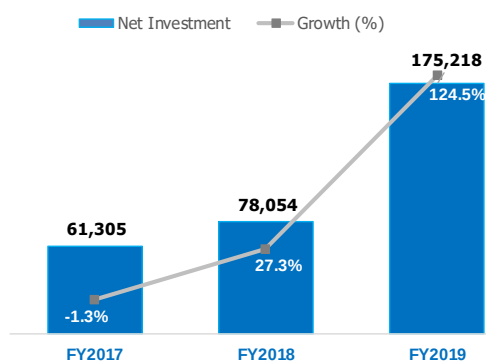
However, coverage ratio on bank-only basis was maintained at 140% as of December 2019. For coverage ratio on consolidated basis, when combined with TBANK's coverage ratio of 102%. Coverage ratio, therefore, was 120% as of 31 December 2019.

2) Interbank and money market

Net Interbank and money market was reported THB236,311 million, an increase of THB122,789 million or 108.2% as a result of consolidation and liquidity management.

3) Investment

Net investment and % growth



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

As of December 2019, the Bank reported net investment at THB175,218 million, an increase of THB97,164 million or 124.5%, resulting from the consolidation of TBANK and increase in TMB's AFS portfolio while the Bank has reduced investment in HTM portfolio due to change in investment strategy.

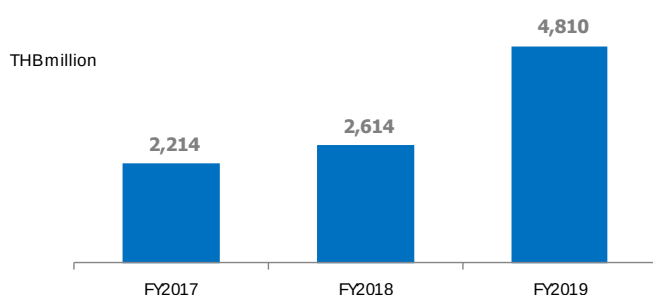
The table below illustrates TMB's investment portfolio for the periods indicated:

	Consolidated financial statements	
	31 December 2019	31 December 2018
<u>Trading securities - fair value</u>		
Government and state enterprise securities	6,159	1,293
Private debt securities	417	-
Total trading securities	<u>6,576</u>	<u>1,293</u>
<u>Available-for-sale securities - fair value</u>		
Government and state enterprise securities	137,906	40,828
Private debt securities	10,166	-
Foreign debt securities	9,193	-
Domestic marketable equity securities	1,129	2
Total available-for-sale securities	<u>158,394</u>	<u>40,830</u>
<u>Held-to-maturity debt securities - cost/amortized cost</u>		
Government and state enterprise securities	-	31,119
Private debt securities	682	-
Total held-to-maturity debt securities	<u>682</u>	<u>31,119</u>
<u>General investments - cost</u>		
Non-marketable equity securities		
- Domestic	1,410	1,024
Non-marketable equity securities		
- Foreign	3	2
Total general investments	<u>1,413</u>	<u>1,026</u>
Less: Allowance for impairment	<u>(800)</u>	<u>(791)</u>
General investments - net	<u>613</u>	<u>235</u>
Investments – net	<u>166,265</u>	<u>73,477</u>

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association ("ThaiBMA"). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA's yield rates adjusted by appropriate risk factors.

The fair value of marketable equity securities held for trading and as available-for-sale is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period. The fair value of an investment unit is determined using the net asset value announced on the reporting period-end date. The fair value of non-marketable equity securities is determined mainly based on the net asset value of the investee company.

4) Properties for sales



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

Properties for sales as of December 2019 were THB4,810 million which increased THB2,196 million or 84.0% from December 2018.

Consolidated financial statement	As of December 31, 2019	As of December 31, 2018
	(THB million)	(THB million)
Beginning balance	3,562	2,306
Net decrease	1,597	458
Ending balance	5,159	2,764
Provision for impairment	(349)	(150)
Total NPAs-net	4,810	2,614

Properties for sale are stated at the lower of cost or net realizable value. Impairment losses is recognized as an expense in profit or loss. Gains or losses on disposal is recognized in profit or loss when a disposal is made.

14.2.2 Liabilities

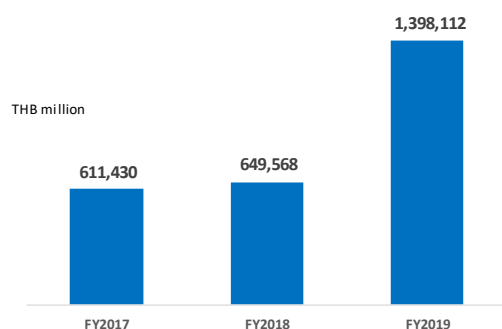
As of 31 December 2019, total liabilities of the Bank and its subsidiaries reported THB1,669,870 million, an increase of THB876,936 million or 110.6%, in comparison to last year. Details are shown below;

1) Deposits

Total deposits reported THB1,398,112 million, an increase of THB748,544 million or 115.2% YTD. The increase was mainly attributed from consolidating financial statement with TBANK which had deposits amounting THB735 billion while TMB retail flagship products continue to grow further.

Deposit-led strategy remained a key focus of TMB after the consolidation with TBANK. The Bank has continued to expand non-transactional deposits and transactional deposits. Overall, it favorable grew on track. Non-transactional deposit grew by 69.8% YTD mainly attributable to the inflow of TBANK's saving deposit while TMB No-Fixed continued to show its growth by 4.4% YTD. ME Save posted 7.2% YTD growth. Time Deposit (TD) robustly grew by 456.2% YTD mainly from the inflow of TD and certificate deposit of TBANK. Nevertheless, TMB All Free, retail transactional deposit, continued its growth momentum and expanded further by 9.2% YTD.

Total deposits



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

Deposits breakdown by products

(Unit: THB billion)	Dec-19	% of total deposit	Dec-18	% of total deposit	% Change YoY
Current	76	5.4%	58	9.0%	30.1%
Saving	365	26.1%	199	30.7%	83.5%
Non-Transactional Deposit	538	38.5%	317	48.8%	69.8%
Time Deposit and Certificate Deposit	419	29.9%	75	11.6%	456.2%
Total	649	100.0%	649	100.0%	115.2%

Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

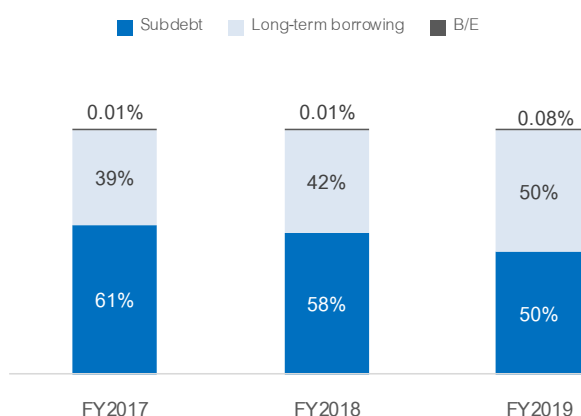
Remark: Non-transactional deposit consists of "TMB No Fixed", "ME" and "TBANK Ultra Saving".

"TMB No Fixed", "ME" and "TBANK Ultra Saving" are classified as savings account as they are not required to maintain minimum balance and have no restriction to term of deposit

2) Borrowings

Total borrowing was THB108,835 million, an increase of THB73,711 million or 209.9% YTD. The increase was mostly from TBANK's borrowings of THB31 billion and TMB's debt issuance to support the acquisition activity of TBANK which comprised of sub-debt of THB30 billion, senior EUR bond of approximately THB17 billion and Additional Tier 1 of approximately THB12 billion, offsetting with buy back and the early redemption of sub-debt of THB15 billion.

Borrowings breakdown



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

3. Interbank and money market

Interbank and money market items as of 31 December 2019 reported THB86,626 million, an increase of 34.8%, in accordance to the consolidation with TBANK.

14.2.3 Shareholder's equity

As of 31 December 2019, the consolidated shareholders' equity was THB194,777 million, an increase of THB95,998 million or 97.2%. Diluted earnings per share decreased to THB0.1485 as of 31 December 2019 from THB0.2646 as of 31 December 2018.

14.3 Off-balance sheet items

• Commitments

The Bank and its subsidiaries's commitments comprise aval to bills, guarantees of loans, liabilities under unmatured import bills, letters of credit, other guarantees, unused bank overdrafts, committed line and other commitments. The Bank and its subsidiaries's commitments (excluding commitments from derivative contracts) increased by 36.8% from THB 199,980 million as of December 31, 2018 to THB 273,503 million as of December 31, 2019.

	Consolidated		Bank only	
	2019	2018	2019	2018
	(in million Baht)			
Avals to bills ⁽¹⁾	336	319	243	319
Guarantees of loans	2,386	-	38	-
Liability under unmatured import bills	2,392	2,722	2,226	2,722
Letters of credit	13,720	15,772	12,789	15,772
Other commitments				
- Other guarantees	63,368	65,584	63,368	65,584
- Amount of unused bank overdrafts	104,962	81,632	83,245	81,632
- Committed line	44,371	3,882	4,844	3,882
- Others ⁽²⁾	41,968	30,069	23,028	30,069
Total	<u>273,503</u>	<u>199,980</u>	<u>189,781</u>	<u>199,980</u>

- ⁽¹⁾ As at 31 December 2019 and 2018, this included bank and its subsidiaries acceptance amounting to Baht 4 million and Baht 5 million, respectively (Bank only: Baht 2 million and Baht 5 million, respectively)
- ⁽²⁾ As at 31 December 2019, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 22,463 million (2018: 29,375 million). The Bank is obliged to return those securities in equivalent amount.

14.4 Liquidity management

The objective of liquidity management is to keep the Bank's financially capable of performing its financial obligations at present and in future and generating benefits when the market condition serves. The financial obligations arise from deposit withdrawal, repayment of debts, loan expansion, working capital requirement, and legally required provisioning. The Bank has adequate liquidity sources and can manage its liquidity through the domestic and foreign money market, the exchange market, and the repurchase market.

The table below shows the Bank's liquidity status for the periods indicated:

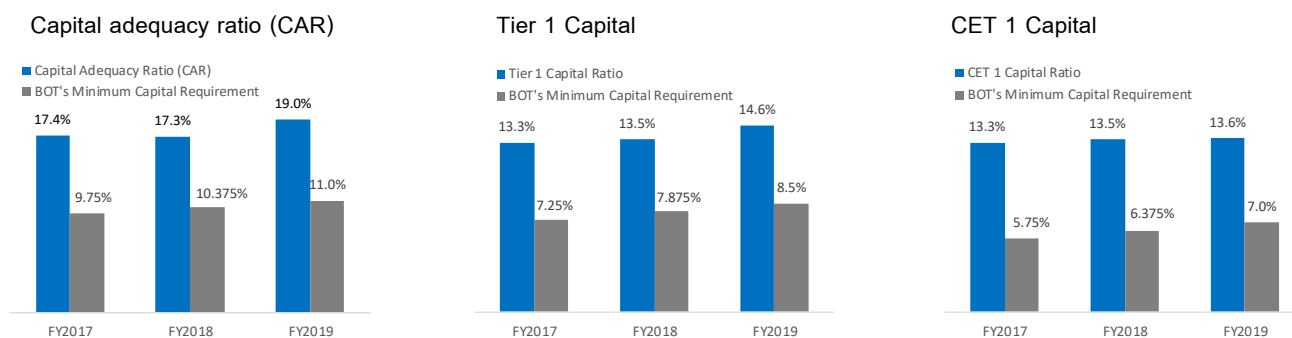
THB million	As of December 31		
(Consolidated)	2019	2018	2017
Net Liquid Assets	339,803	137,967	131,362
Loan to Deposit (%)	99.6	105.6	105.2
Net Liquid Assets to Total Assets	18.3	15.5	15.6
Net Liquid Assets	2019	2018	2017
Cash on Hand	23,853	15,234	17,872
Interbank and Money Market Assets	236,311	113,522	112,534
Investment	166,265	73,477	61,305
Deduct Interbank and Money Market Liabilities	86,626	64,267	60,349
Total	339,803	137,967	131,362

Liquidity (Bank-only)

As of December 31, 2019, TMB had net liquid assets of THB 339,803 million, rose from THB 137,967 million as of December 31, 2018, resulting from consolidation with TBANK.

14.5 Capital adequacy

At the end of December 2019, Capital Adequacy Ratio (CAR), Tier 1 ratio and CET1 ratio of the Bank under Basel III calculation were 19.0%, 14.6% and 13.6% respectively. The Bank has maintained the robust capital well above the Bank of Thailand's minimum requirement of 11.0%, 8.5% and 7.0% of CAR, Tier 1 and CET 1 capital ratio, respectively.



Note: Consolidated financial statements, included TBANK's financial position as of 31 December 2019

(For the disclosure of full details of capital under BASEL III, please visit investor relations webpage at www.tmbbank.com)

14.6 Factors impact to financial status and business operations

Success of TMB business depends on achieving the Bank's 7 Strategic Intents including: customer centricity, build deposit and transactional banking products excellence, leading in comprehensive lending products, build sustainable and recurring non-interest income, optimize capital utilization and liquidity management, ensure cost efficiency and build readiness for digital transformation. With respect to TMB's 7 Strategic Intents, TMB may not achieve expected returns and other benefits as a result of various factors, which may include increasing competition on deposit acquisitions, macroeconomic headwinds (e.g. trade war, geo-political uncertainty and strong THB), rapid changes of technologies related to transactional banking and regulatory changes on fees and sales process.

TMB may face significant and increasing competition in the banking industry and may not be able to compete in the acquisition of quality deposits which could adversely affect the Bank's cost of deposits and the expected re-deployment of quality deposits into profitable assets. TMB will continue to experience intensified competition as the evolution of the banking industry may result in better capitalized and more diversification in offering a broader range of financial products and services at more competitive prices. TMB may face competitors with more experience and more established relationships with customers which could adversely affect TMB's ability to attract quality deposits. Such increased competition may negatively affect the Bank by creating pressure to lower margin on the products and services, and failing to gain stable funding which thus increases cost of funds. Nonetheless, TMB has placed a strategic plan to address this anticipated problem by continuing to develop and innovate quality saving products differentiating them from other normal savings in the market while addressing customers' needs. By designing the right saving products and providing simple and easy transactional services as well as comprehensive investment products, TMB will be able to successfully sustain bottom line even in the current highly competitive environment.

In the current economic downturn situation, the loan growth rate is expected to be lower than the past as it seems to be a new normal, TMB will focus on acquiring good credit customer within targeted industries and tighten credit controls which will put upward pressure on operating expense resulting in greater challenges in generating maximum returns for investors. However, TMB has been preparing itself for the case of weak economic situation. Since 2013, TMB has tightened credit policies and implemented stricter annual credit monitoring and review. In addition, an "Early Warning" system has been implemented which would help predict and detect customers' credit status as well as establishing

advisory center to help proactively advise and resolve customers' credit issues. TMB continued to develop and improve asset management which will help maintain the Bank's asset quality in an acceptable level. In long term, TMB has also brought in data analytics to enhance banks' lending capability not only for better understanding customer in order to offer right products and services at the right time.

TMB, nonetheless, has prepared business plans both short-term and long-term goals with focus on increasing portion of non-interest income (e.g. mutual fund and bancassurance), which will help TMB to sustainably generate profits in a volatile economic environment. However, the competition in financial industry is not limited to banking players, but also non-banking players (e.g. tel-co, tech giants) are also entering this market, pressuring on the bank's ability to generate income. To remain competitive status, TMB has expanded into an automotive lending business thru acquiring Thanachart Bank, a leading automotive lending bank in Thailand. This move will create more comprehensive and variety of lending products to cover all customer's needs.

TMB's business model is primarily based on transactional banking that provides a broad range of financial services to a diversified mix of customers, delivered through multiple channels, especially in a digital channel. TMB places high emphasis on execution of digital transformation including technology implementation, organization structure, IT infrastructure and Omni-channel experiences. Moreover, TMB is also gaining strong collaboration from ING who has the experience and expertise in digital banking to help develop and implement highest standard of cyber security and driving stability in digital experience and services. The collaboration would benefit TMB in development and raising TMB's capability to effectively provide digital services and supports customers' current and future needs.

Any unexpected change of banking regulations on fees by regulatory authorities may adversely affect the Bank's ability to achieve expected level of fee incomes. This could harm the Bank's goal to ensure continued business growth and sustainable profitability. TMB focuses on growing its businesses while optimizing capital utilization. A portion of the Bank's earnings partly depends on fee revenues taken into account-related charges to customers. In addition, the advent of IFRS9 accounting standards in 2020 will impact loan-related fee from fee incomes, as well as calculation of interest incomes and provisions. Implementation of key regulatory changes also has specific complications which may present operational risks to the Bank. However, TMB's earning capabilities are not dependent on such traditional fee incomes (For example, the benefit of TMB All Free). Instead, TMB emphasizes on customer understanding and transactional banking excellence to acquire important customer information. Thus, the Bank will be able to offer fee-based products and services matched customer needs and behaviors (at both individual and organizational levels), and create superior value propositions to customers, sustainable fee incomes and continuity of business growth.

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
1. Mr. Prasong Poontaneat * - Chairman of the Board (appointed on Jun 20, 2018) <i>* Mr. Prasong Poontaneat act as Chairman until December 31, 2019, Mr. Ekniti Nitithanprapas was appointed as Chairman effective from February 13, 2020</i>	60	- Ph.D. in Public Administration, Management for Development College, Thaksin University - Master of Business Administration (Organization Management), Dhurakij Pundit University - Bachelor of Laws, Sukhothai Thammathirat Open University - Bachelor of Business Administration in Accounting, Rajamangala University of Technology - National Defence College Program, Thailand National Defense College - Senior Executive Program Certificate, Capital Market Academe (CMA) - The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy - Top Administrator Program, Interior College, Prince Damrong Rajanupab Institute of Research and Development - Senior Police Officers Course, Police College - Director Certification Program, Thai Institute of Directors Association - Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.	-	-	2019 - Present - Councilor of State 2018 - Present - Permanent Secretary of Ministry of Finance and ex-officio director as Permanent Secretary of Ministry of Finance 2014 - Present - Chairman, Airports of Thailand Plc. 2012 - Present - Director, Bangchak Coporation Plc. 2012 - Present - Member of University Council, Mahasarakham University 2014 - 2018 - Director-General, Revenue Department
2 Mr. Suphadej Poonpipat - Vice Chairman of the Board - Vice Chairman of Board of	69	- Master of Science, University of Wisconsin, USA - Bachelor of Business Administration and Accounting, Chulalongkorn University			Dec 2019- Present - Vice Chairman of the Executive Committee, Thanachart Bank Plc. 2016 - Present - Member of the Succession Committee, Thanachart Bank Plc. 2005 - Present - Vice Chairman, Thanachart Bank Plc. 2019 - Present - Vice Chairman, Thanachart Insurance Plc.

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
Executive Directors		- Senior Executive Program Certificate, Capital Market Academe (CMA) - Role of the Compensation Committee, Role of the Chairman Program, Financial Institutions Governance Program, and Director Accreditation Program, Thai Institute of Directors Association - Thailand in the New Global Landscape, Thanachart Training and Development Co., Ltd. collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University - Anti Corruption for Executives 1/2014, Development of Anti-Corruption Standard of Thailand 2017, and Block Chain Technology 2018, Thanachart Bank Plc.			2005 - Present - Chairman of the Executive Committee, Thanachart Insurance Plc 2018 - Present - Chairman of the Executive Committee, MBK Plc. 2015 - Present - Chairman of the Compensation and Nomination Committee, MBK Plc. 2006 - Present - Vice Chairman, MBK Plc. 2016 - Present - Chairman of the Good Corporate Governance Committee, Patum Rice Mill and Granary Plc. 2012 - Present - Chairman, Patum Rice Mill and Granary Plc. 2014 - Present - Chairman, MBK Life Assurance Plc. 2007 - Present - Vice Chairman and Chairman of the Executive Committee, Thanachart Capital Plc. 2006 - Present - Director, Thanachart Capital Plc. 2006 - Present - Director, Siam Piwat Holding Co., Ltd. 2005 - Present - Director, MBK Resort Plc. 2004 - Present - Director, Siam Piwat Co., Ltd. 2015 - 2019 - Chairman, DMS Property Investment Private Co., Ltd. 2014 - 2019 - Chairman, Thanachart Insurance Plc. 2005 - 2019 - Chairman of the Executive Committee, Thanachart Bank Plc. 2013 - 2018 - Chairman of the Risk Management Committee, Thanachart Capital Plc. 2010 - 2018 - Chief Executive Officer, Thanachart Capital Plc. 2007 - 2018 - Director, Royal Orchid Hotel (Thailand) Plc. 2007 - 2018 - Director, Thai Royal Orchid Real Estate Co., Ltd. 2003 - 2018 - Vice Chairman of the Executive Committee, MBK Plc. 2002 - 2015 - Member of the Compensation and Nomination Committee, MBK Plc. 2011 - 2017 - Chairman of the Executive Committee, Patum Rice Mill and Granary Plc. 2011 - 2015 - Director, DMS Property Investment Private Co., Ltd. 2003 - 2015 - Director, Plan Estate Co., Ltd.
3 General Nattaphon Narkphanit - Director (appointed on May 30, 2019)	59	- Bachelor of Science, Chulachomklao Royal Military Academy - National Defence College Program, Thailand National Defense College - Officer Basic Course 74, Infantry School - Officer Advance Course 52, Infantry School	-	-	Dec 2019- Present - Director, Thanachart Bank Plc. 2019 - Present - Independent Director and Member of Corporate Governance Committee, IRPC Plc. 2018 - Present - Deputy Commander in Chief, Royal Thai Army 2018 - Present - Deputy Director of Internal Security Operations Command

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
		- Army Command and General Staff College, Course 71 - Asia Pacific Security Course, USA - English Courses for Executives, Army Training Command - Cyber Resilience Leadership, Bank of Thailand - Bangkok Sustainable Banking Forum 2019, Bank of Thailand			2016 - 2019 - Member of the National Legislative Assembly 2017 - 2018 - Chief of Staff, Royal Thai Army 2016 - 2017 - Deputy Chief of Staff, Royal Thai Army 2015 - 2016 - Director of Operations
4 Mr. Philippe G.J.E.O. Damas - Director - Chairman of the Board of Executive Directors - Chairman of the Nomination, Remuneration and Corporate Governance Committee (appointed on Dec 28, 2007)	69	- MBA (Accounting & International Finance), Columbia University, New York, USA - Advanced Automatics, Ecole Nationale de l'Aéronautique et de l'Espace, Toulouse, France - Ingénieur Civil Electricien Mécanicien, Université Libre de Bruxelles, Brussels, Belgium - Military Service, Belgian Army - Directors Refresher Program, ING Vysya Bank Ltd. (India) - Strategic Board Master Class, Thai Institute of Directors Association - Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.	5,126,411	-	Dec 2019- Present - Director, Chairman of the Board of Executive Directors, and Chairman of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Plc. 2019 - Present - Board member, OBOR Capital Co., Ltd. 2018 - Present - Board member, Simba Estates Ltd. 2018 - Present - Chairman of the Board and director, Ecopol Pte. Ltd. (Singapore) 2014 - Present - Board member, Armstrong Asset Management (Singapore) 2014 - Present - Board member, The Blue Circle (Singapore) 2014 - Present - Board member, Sport Sevens (Singapore) 2013 - Present - Board member, PCMA Houlder Pte. Ltd. 2013 - Present - Board member, PCMI Insurance Brokers Pte. Ltd. 2011 - Present - Board member, Eurofin Asia (Singapore) 2008 - Dec 2019 - Member of Nomination, Remuneration and Corporate Governance Committee, TMB Bank Plc. 2013 - 2016 - Board member, Capstone Partners (Asia) 2011 - 2015 - International Advisory Board member, Pacific Star (Singapore)
5 Mr. Singha Nikompun - Independent Director - Chairman of the Audit Committee (appointed on Jan 10, 2014)	65	- Master of Science (Human Relations and Management), Abilene Christian University, Dallas, Texas, USA - Bachelor's Degree in Economics (Money and Banking), Kasetsart University - Senior Executive Program Certificate, Capital Market Academy (CMA) - Politics and Governance in Democratic Systems for	-	-	Dec 2019- Present - Independent Director and Chairman of the Audit Committee Thanachart Bank Plc. 2016 - Present - Director, Thanakorn Vegetable Oil Products Co., Ltd. 2014 - Present - Independent Director, Chairman of the Audit Committee, and Vice Chairman, The Thai Bond Market Association (ThaiBMA) 2013 - Present - Member of Advisory Committee, Member of Audit Sub-Committee, and Chairman of the Risk Sub-Committee, Thailand Professional Qualification Institute (Public Organization)

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
Mr. Singha Nikornpun (Con't)		- Executives, King Prajadhipok's Institute - Advanced Management for Bankers, Wharton School of the University of Pennsylvania, USA - Strategic Board Master Class, Successful Formulation & Execution the Strategy, Ethical Leadership Program, Risk Management Committee Program, Director Certification Program Update, Role of the Chairman Program, Advanced Audit Committee Program, Anti-Corruption for Executive Program, Financial Institutions Governance Program, Role of the Compensation Committee, and Director Certification Program, Thai Institute of Directors Association - Audit Committee Forum: TFRS 15: Ready for the Challenges, Cyber Security - Advances to the more complex level, and Intelligent Automation for Internal Audit, KPMG in Thailand - Business Sustainability in Digital Trend, EY Company Limited - Cyber Resilience Leadership, Bangkok FinTech Fair 2019 under the concept Collaboration for the Future of Finance, and Bangkok Sustainable Banking Forum 2019, Bank of Thailand - Project to build good governance capital market in honor at HM the King, SEC - Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.			2013 - Present - Independent Director, Member of the Audit Committee, and Member of the Risk Management Committee, IFS Capital (Thailand) Plc. 2012 - Present - Independent Director and Member of the Audit Committee, Tirathai Plc. 2006 - Present - Senior Advisor, Association of Provident Fund 2015 - 2018 - Independent Director and Chairman of the Audit Committee, Floyd Plc.
6 Mr. Teeranun Srihong - Independent Director	54	- Master of Business Administration, University of Michigan - Ann Arbor, USA - Bachelor of Engineering (Computer), Chulalongkorn	-	-	Dec 2019- Present - Independent Director, Chairman of the Risk Oversight Committee, Chairman of the IT Oversight Committee, and Member of the Nomination, Remuneration and

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
- Chairman of the Risk Oversight Committee - Chairman of the IT Oversight Committee - Member of the Nomination, Remuneration and Corporate Governance Committee (appointed on Dec 17, 2019) Mr. Teeranun Srihong (Con't)		University - The Joint State - Private Sector Course, Thailand National Defense College - Advanced Management Program (AMP), Harvard Business School, USA - Senior Executive Program Certificate, Capital Market Academe (CMA) - The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy - Director Accreditation Program and Director Certification Program, Thai Institute of Directors Association - Thailand Sustainable Banking 2018, Bank of Thailand - Thailand Insurance Leadership Program, Office of Insurance Commission (OIC)			Corporate Governance Committee, Thanachart Bank Plc. 2019 - Present - Independent Director, S&P Syndicate Plc. 2019 - Present - Startup Investment Committee, Bangchak Corporation Plc. 2019 - Present - Executive Director, Phuket Deep Sea Port Co., Ltd. 2019 - Present - Experts and Chairman of sub-committee of Risk Management, Pension Fund 2018 - Present - Chairman, Thailand Management Association 2018 - Present - Director, Committee to Drive Policy Implementation to Use Big Data, Data Center, and Cloud Computing 2018 - Present - Director, The Mall Group Co., Ltd. 2018 - Present - Director, The Mall Shopping Complex Co., Ltd. 2018 - Present - Chairman, Thai Ackro Exchange Co., Ltd. 2018 - Present - Director, Arcel Capital Co., Ltd. 2018 - Present - Director, BKT Holding Co., Ltd. 2018 - Present - Director, Northern Railway Park Co. Ltd. 2017 - Present - Advisor, Sansiri Plc. 2017 - Present - Director and Managing Director, Celar Consulting Co., Ltd. 2017 - Present - Director, The Committee of Mobilizing Reform according to the Thailand 4.0 Agenda 2019 - 2019 - Chairman of the Risk Management Committee, Thanachart Capital Plc. 2018 - 2019 - Director and Member of the Risk Management Committee, Thanachart Capital Plc. 2018 - 2019 - Director, Advance Power Conversion Co., Ltd. 2018 - 2019 - Chairman, Sub-committee on Digital Strategy for Capital Market, The Securities and Exchange Commission (SEC) 2017 - 2019 - Director and Member of the Executive Committee, Thanachart Insurance Plc. 2017 - 2519 - Advisor, The Securities and Exchange Commission, Thailand (SEC) 2017 - 2018 - Qualified Director of Economics, The National Digital Economy and Society

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
					Commission 2017 - 2018 - Director and Member of the Executive Committee, Enter Solution Co., Ltd. 2017 - 2018 - Chairman, Digital Economy Promotion Agency, The Government Complex 2017 - 2018 - Director and Member of the Executive Committee, Enter Solution Co., Ltd. 2017 - 2018 - Advisor, Bangchak Corporation Plc. 2014 - 2018 - Vice Chairman, Thailand Management Association 2016 - 2017 - Chairman, Kasikorn Business - Technology Group Co., Ltd. 2016 - 2017 - Director, Beacon Venture Capital Co., Ltd. 2013 - 2017 - Director and Managing Director, Kasikornbank Plc. 2013 - 2017 - Director, Muang Thai Group Holding Co., Ltd. 2003 - 2017 - Member of the Risk Management Committee, Kasikornbank Plc. 2014 - 2016 - Chairman, Kasikorn Leasing Co., Ltd. 2013 - 2016 - Chairman, Kasikorn Securities Plc.
7 Mr. Chumpol Rimsakorn - Director - Chairman of the Credit Committee - Member of the Board of Executive Directors - Member of the Nomination, Remuneration and Corporate Governance Committee, (appointed on Apr 7, 2017)	59	- Master of Public and Private Management Program, National Institute of Development Administration (NIDA) - Bachelor of Law, Ramkhamhaeng University - National Defence College Program, Thailand National Defense College - Senior Executive Program Certificate, Capital Market Academe (CMA) - The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy - Inspector General Program, The Prime Minister's Office - Senior Executive Program, Office of the Civil Service Commission - Advance Master Management (AMM), National Institute of Development Administration (NIDA)	-	-	Dec 2019- Present - Director, Chairman of the Credit Committee, Member of the Board of Executive Directors, and Member of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Plc. 2019 - Present - Member of the Enterprise Risk Management Committee, PTT Plc. 2018 - Present - Director and Member of the Remuneration Committee, PTT Plc. 2018 - Present - Director, Don Muang Tollway Plc. 2018 - Present - Chairman, Vayupak 1 Mutual Fund Investment Committee 2018 - Present - Chairman, the Queen Sirikit National Convention Center Supervisory Committee 2018 - Present - Chairman, Public Service Obligation Committee 2018 - Present - Chairman, Performance Assessment Committee 2018 - Present - Board Member, Vayupak Mutual Fund Supervisory Committee 2018 - Present - Board Member, Thailand Future Fund Steering Committee 2015 - Present - Deputy Permanent Secretary, Ministry of Finance 2016 - 2018 - Director, Member of Audit Committee, and Member of the Law and Regulation

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
		- Good Governance for Directors and Executives of State Enterprises and Public Organization, King Prajadhipok's Institute - IT Governance and Cyber Resilience Program, Director Certification Program, Financial Statement for Directors, Role of Chairman Program, and Advanced Audit Committee Program, Thai Institute of Directors Association - Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.			Compliance Committee, Electricity Generating Authority of Thailand 2014 - 2018 - Director, Thailand Tobacco Monopoly, Ministry of Finance 2017 - 2018 - Chairman, Public Debt Restructuring and Domestic Bond Market Development Fund 2017 - 2018 - Board Member, National Health Security Committee 2017 - 2018 - Board Member, Emergency Medicine Committee 2017 - 2018 - Board Member, National Metrology Committee 2015 - 2017 - Director, Thailand Post Co., Ltd 2015 - 2015 - Director, Thailand Privilege Card Co., Ltd. 2014 - 2015 - Chief Information Officer (CIO), Ministry of Finance 2014 - 2015 - Inspector General, Ministry of Finance
8 Mr. Yokporn Tantisawetrat - Director - Member of the Credit Committee - Member of the Risk Oversight Committee (appointed on Jun 1, 2015)	64	- Master of Economics, Thammasat University - Bachelor of Economics, Chulalongkorn University - National Defence College Program, Thailand National Defense College - Advanced Management Program (AMP), Harvard Business School - Advanced Bank Management Program, Wharton School of the University of Pennsylvania, USA - Advanced Bank Management Program, Asian Institute of Management - IT Governance and Cyber Resilience Program, Advanced Audit Committee Program, Director Certification Program, Risk Management Program for Corporate Leaders, and Director Accreditation Program, Thai Institute of Directors Association - Project to build good governance capital market in honor at HM the King: SEC - Cyber Resilience Leadership Seminar, Cyber Resilience	-	-	Dec 2019- Present - Director, Member of the Credit Committee, and Member of the Risk Oversight Committee, Thanachart Bank Plc. 2017 - Present - Independent Director, AP (Thailand) Pcl. 2017 - Present - Director, Kirloskar Brothers (Thailand) Limited 2016 - Present - Experts and Chairman of the Audit Committee, Office of the Securities Exchange Commission (SEC) 2015 - Present - Independent Director and Chairman of the Audit Committee, Banpu Power Pcl. 2015 - 2019 - Member of the Board of Executive Directors, TMB Bank Plc. 2016 - 2017 - Advisor, The Corporate Governance and Risk Management Committee, AP (Thailand) Pcl. 2008 - 2015 - Senior Executive Vice President, Chief Risk Officer, Risk Management Group, Siam Commercial Bank Pcl. 2014 - 2015 - Vice Chairman, Vina Siam Bank, Vietnam 2011 - 2015 - Director, SCB Securities Co., Ltd.

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
		Awareness, IFRS 9 Implication and Readiness, Recovery Planning, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.			
9 Mr. Praisun Wongsmith - Independent Director - Member of the Audit Committee (appointed on Feb 12, 2016)	60	- Master of Science (Economics), Oklahoma State University, USA - Bachelor of Science in Business Administration (Economics/Finance), Oklahoma State University, USA - Advanced Security Management Program, National Defence College - Senior Executive Program Certificate, Capital Market Academy (CMA) - The Leadership Grid Appreciation Workshop, Grid Teamwork Limited - IT Governance and Cyber Resilience Program, Ethical Leadership Program, Advanced Audit Committee Program, Boards that Make a Difference, Role of the Chairman Program, Director Certification Program, and Director Associate Program, Thai Institute of Directors Association - Business Sustainability in Digital Trend, EY Company Limited - Bangkok Sustainable Banking Forum 2018, Bank of Thailand - Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Recovery Planning, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.	10,987	-	Dec 2019- Present - Independent Director and Member of the Audit Committee, Thanachart Bank Plc. 2018 - Present - Independent Director and Member of the Audit Committee, S Hotels and Resorts Plc. 2018 - Present - Independent Director and Chairman of the Audit Committee, Jakpaison Estate Plc. 2018 - Present - Director, P Advisory Co., Ltd. 2015 - Present - Chairman of the Board and Independent Director, Thantawan Industry Plc. 2012 - Present - Director, P.W. Consultants Co., Ltd. 2017 - 2019 - Director, Islamic Bank Asset Management Ltd. (IAM) 2017 - 2019 - Director, Industrial Estate Authority of Thailand (IEAT) 2016 - 2018 - Director, CAT Telecom Plc. 2016 - 2017 - Advisor to the Minister, Ministry of Industry 2014 - 2016 - Managing Director, SCMB Co., Ltd. 2012 - 2016 - Executive Chairman, SCMB Co., Ltd. 2015 - 2016 - Advisor to the Minister, Ministry of Information and Communication Technology 2014 - 2015 - Independent Director and Member of the Audit Committee, Thantawan Industry Plc. 2014 - 2015 - Chairman of Sub-Committee on Monitoring and Administration on NPL, SME Bank

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
10 Mr. Somjate Moosirilert - Director - Member of the Board of Executive Directors - Member of the Nomination, Remuneration and Corporate Governance Committee (appointed on Dec 3, 2019) Mr. Somjate Moosirilert (Con't)	64	- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Business Administration, Thammasat University - Senior Executive Program Certificate, Capital Market Academe (CMA) - Role of the Chairman Program and Corporate Governance for Capital Market Intermediaries, Thai Institute of Directors Association - The Program for Senior Executives on Justice Administration, Judicial Training Institute, Courts of Justice - TLCA Leadership Development Program (LDP), Thai Listed Company Association, The Stock Exchange of Thailand - Thailand Sustainable Banking 2018, Bank of Thailand - Anti Corruption for Executives 1/2014 and Development of Anti-Corruption Standard of Thailand 2017, Thanachart Bank Public Company Limited			Dec 2019- Present - Director, Member of the Board of Executive Directors, and Member of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Plc. 2019 - Present - Chief Executive Officer, Thanachart Capital Plc. 2013 - Present - Member of the Risk Oversight Committee, Thanachart Capital Plc. 2009 - Present - Director and Member of the Executive Committee, Thanachart Capital Plc. 2019 - Present - Director, Thanachart SPV 1 Co., Ltd. 2019 - Present - Director, Thanachart SPV 2 Co., Ltd. 2017 - Present - Vice Chairman, Thai Listed Company Association 2013 - Present - Chairman, Thanachart Fund Management Co., Ltd. 2011 - Present - Chairman of the Executive Committee, Thanachart Fund Management Co., Ltd. 2013 - Present - Chairman of the Executive Committee, Thanachart Securities Plc. 2009 - Present - Chairman, Thanachart Securities Plc. 2010 - Present - Board Advisor, Association of Thai Securities Companies 2018 - 2018 - Director, The Thai Bankers' Association 2016 - 2018 - Advisor, The Thai Bankers' Association 2014 - 2018 - Vice Chairman, Thanachart Insurance Plc. 2013 - 2018 - Vice Chairman of the Executive Committee, Thanachart Insurance Plc. 2010 - 2018 - Director and Member of the Executive Committee, Thanachart Insurance Plc. 2012 - 2018 - Chairman of the Risk Management Committee, Thanachart Bank Plc. 2011 - 2018 - Chief Executive Officer and President, Thanachart Bank Plc. 2009 - 2018 - Director and Member of the Executive Committee, Thanachart Bank Plc. 2011 - 2018 - Chairman and Chairman of the Executive Committee, TS Asset Management Co., Ltd. 2010 - 2018 - Senior Executive Vice President, Thanachart Capital Plc. 2015 - 2017 - Vice Chairman Advisor, Thai Listed Company Association 2014 - 2016 - Member of the Steering Committee, Sasin Graduate Institute of Business Administration of Chulalongkorn University 2011 - 2015 - Director and Vice Chairman, Thai Listed Company Association

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
11 Mr. Prinya Hom-anek - Independent Director - Member of the Audit Committee - Member of the Risk Oversight Committee - Member of the IT Oversight Committee (appointed on Dec 17, 2019)	50	- Honorary Doctorate Degree of Science, Rajamangala University of Technology Suvornabhumi - Master of Business Administration, Assumption University - Bachelor of Engineering (Electrical Engineering), Chulalongkorn University - Director Certification Program, Thai Institute of Directors Association - Certified Information System Security Professional (CISSP), International Information System Security Certification Consortium - Certified Information System Auditor (CISA) and Certified in the Governance of Enterprise IT, ISACA - Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners			Dec 2019- Present - Independent Director, Member of the Audit Committee, Member of the Risk Oversight Committee, Member of the IT Oversight Committee, Thanachart Bank Plc. 2018 - Present - Director and Member of the Executive Committee, Intelligent Data Analytic Co., Ltd. 2017 - Present - Director and Secretary, Thailand Information Security Association 2017 - Present - Trainer, Thai Institute of Directors Association 2015 - Present - Director and Member of the Executive Committee, Cybertron Co., Ltd. 2015 - Present - Advisor, Boonrawd Trading Co., Ltd. 2003 - Present - Chairman and Member of the Executive Committee, ACIS Professional Center Co., Ltd. 2019 - 2019 - Member of the Risk Oversight Committee, Thanachart Capital Plc. 2018 - 2019 - Independent Director and Member of the Audit Committee, Thanachart Capital Plc. 2015 - 2016 - Qualified Committee, Anti-Money Laundering Office (AMLO)
12 Mr. Michal Jan Szczurek - Director - Member of the Board of Executive Directors - Member of the IT Oversight Committee	48	- Master of Economics, Warsaw University - Bachelor of Economics, Columbia University - General Management Programm (GMP), European Center for Executive Development (CEDEP)			Dec 2019- Present - Director, Member of the Board of Executive, and Member of the IT Oversight Committee, Thanachart Bank Plc. 2019 - Present - Head of Challengers and Growth Markets, Asia (Executive) ING Bank N.V., Hong Kong Branch 2012 - 2019 - Chief Executive Officer (Executive), ING Bank N.V., Bucharest Branch
13 Mr. Piti Tantakasem - Director and Chief Executive Officer - Member of Board of Executive Directors - Member of the Risk Oversight Committee	49	- Doctor of Philosophy (Ph.D.), Business Administration, Bangkok University in Collaboration with The University of Nebraska-Lincoln, USA - Master of Business Administration, The University of North Carolina at Chapel Hill, USA. - Bachelor of Engineering (Industrial Engineering),	11,572,894	-	Dec 2019- Present - Director, Member of Board of Executive Directors, Member of the Risk Oversight Committee, Member of the Credit Committee, and Member of the IT Oversight Committee, Thanachart Bank Plc. 2019 - Present - Chief Executive Officer, TMB Bank Plc. 2009 - Present - Director, National ITMX Co., Ltd. 1996 - Present - Director, Tiyaana C., Ltd. 2017 - 2017 - Member of the Nomination Committee, PTT Exploration and Production Plc.

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past 5 Years
- Member of the Credit Committee - Member of the IT Oversight Committee (appointed on Jan 1, 2018) Mr. Piti Tantakasem (Con't)		Chulalongkorn University - Senior Executive Program Certificate, Capital Market Academy (CMA) - The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy - Chartered Financial Analyst, CFA Institute - Financial Derivatives, EuroMoney Training - Executive Education: Building Leading Customer-Centric Organization - Director Certification Program, Boards that Make a Difference, and Anti-Corruption for Executive Program, Thai Institute of Directors Association - Bangkok Sustainable Banking Forum 2018, Bangkok Sustainable Banking Forum 2019, Bank of Thailand - Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Recovery Planning, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.			2015 - 2017 - Member of the Risk Management Committee, PTT Exploration and Production Plc. 2014 - 2017 - Independent Director, PTT Exploration and Production Plc. 2016 - 2017 - Chairman of the Nomination Committee, PTT Exploration and Production Plc. 2014 - 2017 - Member of the Corporate Governance Committee, PTT Exploration and Production Plc. 2017 - 2017 - Chief Financial Officer, TMB Bank Plc. 2008 - 2017 - Chief Wholesale Banking Officer, TMB Bank Plc. 2016 - 2017 - Sub-committee Member, Public Sector Development Commission Sub-committee on Public Finance and Budgeting Development, Office of the Public Sector Development Commission (OPDC) 2016 - 2017 - Senior Expert Committee, Senior Expert Committee in Organizational Psychology on the Committee of the Public Sector Development Commission, Office of the Public Sector Development Commission (OPDC) 2017 - 2017 - Chairman of Sub-committee, Financial and Accounting Sub-committee, State Railway of Thailand (SRT) 2017 - 2017 - Director, State Railway of Thailand (SRT) 2016 - 2017 - Honorary Member, Office of the Energy Conservation Promotion Fund Management Sub-committee 2014 - 2016 - Sub-Committee Member, Project Sub-Committee, Thailand Board of Investment (BOI) 2011 - 2015 - Director, TRIS Corporation Limited and TRIS Rating Co., Ltd.

Remarks: * Including shareholding of spouse and minor children

** Family relationship by blood, marriage or registration under the laws

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

1) TMB's executive officers as of December 31, 2019

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
1. Mr. Piti Tantakasem Chief Executive Officer	49	- Doctor of Philosophy (Ph.D.), Business Administration, Bangkok University in Collaboration with The University of Nebraska-Lincoln, USA - Master of Business Administration, The University of North Carolina at Chapel Hill, USA - Bachelor of Engineering (Industrial Engineering), Chulalongkorn University	6,838,700	-	2018 - Present - Chief Executive Officer, TMB Bank Plc. 2017 - 2017 - Chief Financial officer, TMB Bank Plc. 2008 - 2017 - Chief Wholesale Banking Officer, TMB Bank Plc.

Remarks: * Including shareholding of spouse and minor children

** Family relationship by blood, marriage or registration under the laws

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
2 Mr. Senathip Sripaipan Chief Wholesale Banking Officer	48	- MBA, The University of North Carolina at Chapel Hill, USA - Master of Science, Computer Information Systems, Assumption University - Bachelor of Engineering, Engineering, Chulalongkorn University	-	-	2017 - Present - Chief Wholesale Banking Officer, TMB Bank Plc. 2012 - 2017 - Managing Director, S Ventures Co., Ltd. 2007 - 2017 - Managing Director, Business Navigator Consulting
3 Mrs. Marie Ramlie Chief Retail Business Officer	46	- Master's degree in Tax & Business Law, Law School, France - Bachelor of Arts, European Business, Middlesex University, United Kingdom	-	-	2019 - Present - Chief Retail Business Officer, TMB Bank Plc. 2014 - 2019 - Head of Retail Products, TMB Bank Plc. 2011 - 2014 - Vice President- Products and Distribution Channels, ING
4 Mr. Johannes Franciscus Grisel Chief Risk Officer	60	- Master of Business Administration, Nyenrode University, The Netherlands - Bachelor of Business Administration, Hogeschool Nyenrode, The Netherlands	-	-	2018 - Present - Chief Risk Officer, TMB Bank Plc. 2017 - 2018 - Chief Operation Officer - Risk, ING Bank N.V., Head Office 2015 - 2018 - Director, Chairman of the Risk Management Committee, and Member of Credit Committee, TMB Bank Plc. 2016 - 2017 - Head of Corporate Operational Risk Management, ING Bank N.V. 2011 - 2016 - Global Head of Non Financial Risk, ING Bank NV
5 Mrs. Prapasiri Kositthanakorn Chief Financial Officer	55	- Master of Business Administration (MBA), Assumption University - Bachelor of Business Administration (Magna Cum Laude), Assumption University	-	-	2018 - Present - Chief Financial officer, TMB Bank Plc. 1998 - 2018 - Partner, PricewaterhouseCoopers Legal and Tax Consultants Ltd.
6 Mr. Markus Dolenga Chief Operation Officer	49	- Business Diploma, Industrie- und Handelskammer, Germany	-	-	2019 - Present - Chief Operation Officer 2016 - 2019 - COO Asia, Middle East and India Jardine Lloyd Thompson Asia 2013 - 2015 - COO Asia Pacific Managing Director, Marsh (Singapore) Insurance Brokers Pte Ltd

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
7 Ms. Arwiwan Tangtrongchit Financial Controller	52	- Master of Public Administration, University of Southern California, USA. - Bachelor of Accountancy, Commerce and Accountancy, Chulalongkorn University	3,634,400		2018 - Present Financial Controller, TMB Bank Plc. 2009 - 2018 Head of Financial Planning and Analysis, TMB Bank Plc.
8 Ms. Somkid Preechasammakul Head of Finance Business Partner	45	- Master of Business Administration (Finance), Sasin Grad.Inst. of Bus.Admin. - Bachelor of Business Administration (Finance) Assumption University	2,204,100	-	2018 - Present - Head of Finance Business Partner, TMB Bank Plc. 2018 - 2018 - Head of Finance Business Partner- CEO&CFO, TMB Bank Plc. 2017 - 2018 - Senior Executive-Investment Banking, TMB Bank Plc. 2016 - 2017 - Team Head of Wholesale Banking Segment Strategy, TMB Bank Plc. 2015 - 2016 - Head of Commercial Credit and Supply Chain Product, TMB Bank Plc. 2014 - 2015 - Head of Commercial Credit Product, TMB Bank Plc. 2014 - 2014 - Head of Credit and International Trade Product, TMB Bank Plc. 2009 - 2014 - Sr. Executive-Invest Banking, TMB Bank Plc.
9 Ms. Pimolwan Puarattana-aroonkorn Head of Finance Business Partner	40	- Master of Science in Finance, Thammasat University - Bachelor of Business Administration, Mahidol University	108,500	-	2018 - Present - Head of Finance Business Partner – Commercial, TMB Bank Plc. 2017 - 2018 - Team Head of Finance Business Partner – Commercial, TMB Bank Plc. 2014 - 2017 - Team Head of Commercial Banking Business Finance, TMB Bank Plc. 2012 - 2014 - Team Lead of Wholesale Banking Business Finance, TMB Bank Plc.
10 Mr. Thawatchai Trongnamsukij Head of Finance Business Partner – CRO	38	- Master of Business Administration, Thammasat University - Bachelor of Commerce and Accountancy, Thammasat University	424,300	-	2018 - Present - Head of Finance Business Partner - CRO, TMB Bank Plc. 2017 - 2018 - Team Head of Finance Business Partner - CRO, TMB Bank Plc. 2015 - 2017 - Senior Financial Analysis Executive, TMB Bank Plc. 2015 - 2015 - Team Lead of Financial Statement, TMB Bank Plc. 2011 - 2014 - Senior Accounting Policy Specialist, TMB Bank Plc

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
11 Mrs. Jitrawadee Srivichit Head of Finance Business Partner - Retail	45	- Master of Business Administration, Sasin Grad.Inst. of Bus.Administration - Bachelor of Economics, Thammasat University	-	-	2018 - Present - Head of Finance Business Partner - Retail, TMB Bank Plc. 2017 - 2018 - Team Head of Finance Business Partner - Retail, TMB Bank Plc. 2011 - 2017 - Team Head of Investor Relations, TMB Bank Plc.
12 Ms. Preediorn Klungnark Head of Finance Business Partner	39	- Master of Financial Management, Thammasat University	-	-	2019 - Present - Head of Finance Business Partner, TMB Bank Plc. 2018 - 2019 - Executive Finance Business Partner, TMB Bank Plc. 2018 - 2018 - Team Head of Whole Sale Banking – Sale Management, TMB Bank Plc.
13 Mr. Mate Kanokpibool Head of Financial and Payment Control	52	- Master of Accountancy Program, Chulalongkorn University - Bachelor of Accountancy University of the Thai Chamber of Commerce	1,400,700		2018 - Present - Head of Financial payment and control 2017 - 2018 - Team Head of Financial Governance and Policy, TMB Bank Plc. 2015 - 2016 - Project Manager, Siam Commercial Bank 2014 - 2015 - Risk Consulting Manager, PwC 2011 - 2013 - Senior Risk Manager (Credit), Kasikorn Bank
14 Mr. Andrew Kent Jan Head of Balance Sheet Management	41	B.S. Economics, Wharton School of the University of Pennsylvania			2017 - Present - Head of Balance Sheet Management, TMB Bank Plc. 2007 - 2017 - Partner (Freelance Consultant), BNC Consulting, BKK, Thailand 2014 - 2016 - Group Head of Enterprise Risk, Burgan Bank, Kuwait
15 Mrs. Kwanhatai Sukhumtammarat Head of Financial Data Maintenance and Processing	47	- Bachelor's degree, Business Administration, Accounting, Assumption University	-	-	2017 - Present - Head of Financial Data Maintenance and Processing, TMB Bank Plc. Team Lead of Financial Application Analysis & Development, TMB 2010 - 2017 - Bank Plc.
16 Mr. Chalermchai Paisithmongkol Head of Central Treasury	56	- Master of Business Administration Program, Sasin Graduate Institute - Bachelor of Business Administration, Accounting & Marketing, Assumption University - Bachelor of Political Science, Chulalongkorn University	-	-	2018 - Present - Head of Central Treasury, TMB Bank Plc 2013 - 2018 - Team Head of Investment Management & Fund Transfer Pricing, TMB Bank Plc.

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
17 Mrs. Voraluck Chokchaitam Head of Asset Liability and Capital Management	50	- Master of Business Administration in Finance, University of Rochester, USA - Bachelor of Economics, Chulalongkorn University	-	-	2018 - Present - Head of Asset Liability and Capital Management, TMB Bank Plc. 2017 - 2018 - Team Head of Asset and Liability Management, TMB Bank Plc. 2016 - 2017 - Senior Process Improvement Specialist, TMB Bank Plc. 2015 - 2016 - Product Control Professional, TMB Bank Plc.
18 Ms. Waree Thanmongkolswad Head of Financial Regulatory Management	40	- Master of Arts (English), Thammasat University - Bachelor of Accounting, Thammasat University			2018 - Present - Head of Financial Regulatory Management, TMB Bank Plc. 2017 - 2018 - Team Head of Financial Regulatory Management, TMB Bank Plc. 2015 - 2017 - Team Lead of Financial Statement, TMB Bank Plc. 2013 - 2015 - Executive Audit Manager, TMB Bank Plc.
19 Mrs. Suphavadee Wuthithien Head of Regulatory Analysis - BoT Reporting	51	- Bachelor of Accountancy Program, Dhurakijpundit University	-	-	2018 - Present - Head of Regulatory Analysis – BoT Reporting, TMB Bank Plc. 2017 - 2018 - Team Lead of Regulatory Analysis – BoT Reporting, TMB Bank Plc. 2010 - 2017 - Team Lead of Regulatory Report Management, TMB Bank Plc.
20 Mrs. Kamolmarn Staworn Head of Regulatory Analysis - Financial Reporting	55	- Bachelor of Business Administration Program, Assumption University	-	-	2018 - Present - Head of Regulatory Analysis – Financial Reporting, TMB Bank Plc. 2017 - 2018 - Team Lead of Regulatory Analysis - Financial Reporting, TMB Bank Plc. 2015 - 2017 - Senior Accounting Specialist, TMB Bank Plc. 2008 - 2014 - Team Lead of Special Accounts, TMB Bank Plc.
21 Ms. Veeraya Mahakhan Head of Financial Reporting Services	44	- Master of Science, Naresuan University - Bachelor of Business Administration, Rajamangala Inst. of Tech.	-	-	2018 - Present - Head of Financial Reporting Services, TMB Bank Plc. 2017 - 2018 - Team Lead of Financial Reporting Services, TMB Bank Plc. 2017 - 2017 - Specialist - Financial Data Flow Design & Improvement, TMB Bank Plc. 2015 - 2017 - Financial Analysis Specialist, TMB Bank Plc.
22 Mrs. Patcharee Leelarasamee Head of Balance Sheet Analytics	42	- Doctor of Philosophy (Banking & Finance), Chulalongkorn University - Master of Business Administration (Finance), Assumption University - Master of Science (E-Commerce), Assumption University - Bachelor of Electrical, Chulalongkorn University	-	-	2018 - Present - Head of Balance Sheet Analytics, TMB Bank Plc. 2017 - 2017 - Principal Portfolio Manager, Digital Ventures Co.,Ltd. 2013 - 2014 - CFO, SCG Auto Gas Co., Ltd. 2008 - 2013 - Senior Vice President, Financial Control and Risk Management, Standard Chartered Bank (Thai)

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
23 Mr. Prayut Boonlerd Head of Accounting Control	44	Bachelor of Accountancy, Bangkok University			2019 - Present - Head of Accounting Control, TMB Bank Plc. 2019 - 2019 - VP Financial Project, CIMB Thai 2018 - 2019 - VP Controller and Improvement, Nok Airline PLC. 2017 - 2018 - Head of Accounting Operation, TMB Bank Plc. 2016 - 2017 - Team Lead of Domestic Branches Accounts Controlling, TMB Bank 2014 - 2016 - Assistant to Finance Manager, RHB Bank Berhad
24 Ms. Rochana Ratana-Ubol Head of Accounting Operations	53	Master of Business Administration (Accounting), Kasetsart University Bachelor of Accountancy, Chulalongkorn University	-	-	2018 - Present - Head of Accounting Operations, TMB Bank Plc. 2017 - 2018 - Senior Specialist - Financial Governance Control and Monitoring, TMB Bank Plc. 2016 - 2017 - Team Lead of Financial Reporting Services, TMB Bank Plc. 2015 - 2016 - Team Head of Management Accounting Application System Support, TMB Bank Plc.

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
25 Ms.Siriphon Rattanaumphawan Head of Financial Governance and Policy	44	- Master of Business Administration (Finance), Thammasat University - Bachelor's degree of Accounting Info. Systems, Mahachulalongkomrajacidyalaya University	-	-	2019 - Present - Head of Financial Governance and Policy, TMB Bank Plc. 2019 - 2019 - Senior Vice President of Finance, Krung Thai Bank PCL. 2016 - 2019 - First Senior Vice President of International Accounting and Finance, Muang Thai Life Assurance PCL. 2015 - 2016 - Chief Financial Officer, Executive Vice President, Asia Wealth Securities Co., Ltd
26 Ms. Maline Laoitthi Head of Financial Data Management Centre	39	- Master of Engineering Management, University of London - Bachelor of Engineering, Thammasat University	-	-	2018 - Present - Head of Financial Data Management Centre, TMB Bank Plc. 2011 - 2018 - Vice President, Bank of Ayudhya Public

Remarks: * Including shareholding of spouse and minor children
 ** Family Relationship by blood, marriage or registration under the laws

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Details of person who designated as the top executive in charge of accounting and finance business and person who designated to take direct responsibility to control the accounting treatment

Name/Position	Age	Education	Shareholding in TMB (no. of share)*	Family Relationship **	Work Experience in the Past
Mrs. Prapasiri Kositthanakorn Chief Financial Officer (CFO)	55	- Master of Business Administration (MBA), Assumption University - Bachelor of Business Administration (Magna Cum Laude), Assumption University - Certified Public Accountant (CPA), Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Director Certification Program (DCP), Thai Institute of Directors Association - Attend the training course on the taxation laws, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	-	-	2018 - Present - Chief Financial Officer, TMB Bank Plc. 1998 - 2018 - Partner, PricewaterhouseCoopers Legal and Tax Consultants Ltd. 1994 - 1997 - Assistant Vice President, Investment Banking Department, The Industrial Finance Corporation of Thailand 1991 - 1994 - Assistant Vice President, Corporate Finance Department, Morgan Grenfell Thai Company Limited
Ms. Arwiwan Tangtrongchit Financial Controller	51	- Master of Public Administration, University of Southern California, USA - Bachelor of Accountancy, Commerce and Accountancy, Chulalongkorn University - Director Certification Program (DCP), Thai Institute of Directors Association - CFO Focus on Financial Reporting, Federation of Accounting Professions under The Royal Patronage of His Majesty The King - Lean Six Sigma (LSS) executive training session, TMB Bank Plc. - Global Executive Mindset, TMB Bank Plc. - IFRS9 Management Awareness Workshop, TMB Bank Plc. - Strategic Workshop on Disruptive Banking, TMB Bank Plc. - Smart Disclosure Program (SDP), The Stock Exchange of Thailand - Beyond Treasury Management 2019, Federation of Accounting Professions under The Royal Patronage of His Majesty The King	3,634,400	-	2018 - Present - Financial Controller, TMB Bank Plc. 2009 - 2018 - Head of Financial Planning and Analysis, TMB Bank Plc. 2000 - 2009 - Head of Business Finance-Consumer Banking, Standard Chartered Bank (Thai) Plc. 1996 - 2000 - Business Planning and Human Resources Director, Krungsriyudhaya Card Company Limited

Remarks: * Including shareholding of spouse and minor children

** Family Relationship by blood, marriage or registration under the laws

Attachment 1 Details of TMB Directors, Executive Officers, Controlling Power, Company Secretary

Details of Company Secretary

as of December 31, 2019

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
Mr. Naris Aruksakunwong - Company Secretary - Head of Strategy	37	- Master of Business Administration, Harvard Business School, Massachusetts, USA - Master of Science, Management Science and Engineering, Stanford University, California, USA - Bachelor of Science, Electrical Engineering (Distinction), Stanford University, California, USA - Company Secretary Program and Board Reporting Program, Thai Institute of Director - Design Thinking, Southeast Asia Center - Cybersecurity Awareness, Deloitte - Anti-Money Laundering and Combating the Financing of Terrorism, TMB Bank Plc. - Anti-Corruption, TMB Bank Plc. - How can we secure from cyber threats, TMB Bank Plc. - Promoting Risk Awareness 2018, TMB Bank Plc. - Cyber Resilience Awareness, TMB Bank Plc. - IFRS 9 Implication and Readiness, TMB Bank Plc. - Inside Information and Data Privacy, TMB Bank Plc. - Branding and NPS Update, TMB Bank Plc. - Sustainability Training, TMB Bank Plc.	-	-	Jan 2019 - Present - Company Secretary, TMB Bank Plc. 2018 - Present - Head of Strategy, TMB Bank Plc. 2015 - 2018 - FSVP, Group Strategic Management, Siam Commercial Bank Plc. 2007 - 2015 - Engagement manager, McKinsey & Company

Remarks: * Including shareholding of spouse and minor children

** Family relationship by blood, marriage or registration under the laws

Attachment 2

Details of the Bank's directors / executives who assume the positions in subsidiaries, associated companies, and related companies as of December 31, 2019

No.	List of the Bank's executives	Positions	Subsidiaries Companies				Associate Companies		Related Companies
			1	2	3	4	1	2	
1	Mr. Piti Tantakasem	Chief Executive Officer	W						
2	Mr. Prasong Poontaneat	Director	D						
3	Mr. Suphadej Poonpipat	Director	//						
4	General Nattaphon Narkphanit	Director	D						
5	Mr. Philippe G.J.E.O. Damas	Director	D						
6	Mr. Praisun Wongsmith	Director	D						
7	Mr. Chumpol Rimsakorn	Director	D						
8	Mr. Yokporn Tantisawetrat	Director	D						
9	Mr. Somjate Moosirilert	Chief Retail Banking Officer	D					D ¹	
10	Mr. Michal Jan Szczurek	Director	D						
11	Mr. Johannes Franciscus Grisel	Chief Risk Officer			X				
12	Mrs. Suvanee Kam	Head of Legal			W	L			
13	Mrs. Chirdprapa Chaladsoontornvatee	Head of Credit Restructuring			W				
14	Ms. Watee Thanmongkolswad	Head of Financial Regulatory Management			W				
15	Mr. Suttichai Tiranuchit	Head of Special Advisory Banking Services -Wholesale			W				
16	Mrs. Marie Ramlie	Chief Retail Innovation Officer					D		
17	Mrs. Apiroomwadee Ranongthane	Specialist – Central Treasury							L

¹ Hold this position until 31 January 2020

Attachment 2

Remark:

- X Chairman and Authorized Person
- Y Chairman and Non-authorized Person
- W Director and Authorized Person
- D Director
- L Liquidator
- // Vice Chairman

Attachment 2**List of Subsidiaries Companies**

1. Thanachart Bank Plc., Co., Ltd.
2. Thanachart Broker Co., Ltd.
3. Phahonyothin Asset Management Co., Ltd.
4. Phayathai Asset Management Co., Ltd.*

List of Related Companies

TMB Property Development Co., Ltd.

List of Associate Companies

1. TMB Asset Management Co., Ltd
2. Thanachart Fund Management Co., Ltd.

Remarks: *The Company registered the dissolution with the Ministry of Commerce on 26 December 2018 and is currently in the process of liquidation.

Attachment 2

Details of the Subsidiaries Company Directors

1. Thanachart Bank Pcl., Co., Ltd.

1. Mr. Piti Tantakasem
2. Mr. Prasong Poontaneat
3. Mr. Suphadej Poonpipat
4. General Nattaphon Narkphanit
5. Mr. Philippe G.J.E.O. Damas
6. Mr. Praisun Wongsmith
7. Mr. Chumpol Rimsakorn
8. Mr. Yokporn Tantisawetrat
9. Mr. Somjate Moosirilert
10. Mr. Michal Jan Szczurek

2. Thanachart Broker Co., Ltd.

There is no director, who is TMB's directors / executive

3. Phahonyothin Asset Management Co., Ltd.

1. Mr. Johannes Franciscus Grisel
2. Mrs. Suvanee Kam
3. Mrs. Chirdprapa Chaladsoontornvatee
4. Miss. Waree Thanmongkolswad
5. Mr. Suttichai Tiranuchit

Details of the Associate company Directors

1. TMB Asset Management Co., Ltd

1. Mrs. Marie Ramlie

2. Thanachart Fund Management Co., Ltd

1. Mr. Somjate Moosirilert

Attachment 3 Details of TMB's Head of Audit and Head of Compliance

1) Head of Audit as of December 31, 2019

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years			
Mr. Sunthorn Rukpanich Head of Audit	59	- MBA (Financial Management), University of Bridgeport, Connecticut, USA - Bachelor of Economics, Chulalongkorn University - International Accounting Standards IAS 39/IAS - Operational Risk Management Forum - Financial Executive Development Program-FINEX	-	-	2018	-	Present	Head of Audit, TMB Bank Plc.
					2013	-	2017	Head of Corporate Credit Underwriting, TMB Bank Plc.
					2011	-	2013	Team Head of Corporate Credit Underwriting, TMB Bank Plc.
					2006	-	2011	Team Head of Corporate Credit Underwriting 1, TMB Bank Plc.

Attachment 3 Details of TMB's Head of Audit and Head of Compliance

2) Head of Compliance as of December 31, 2019

Name/Position	Age	Education	Shareholding in TMB (no.of share)*	Family Relationship **	Work Experience in the Past 5 Years
Mr. Varoon Kanjanapoo Head of Compliance	53	- MBA, Eastern Michigan University, USA - Bachelor of Science, Chulalongkorn University - Compliance Training on Securities Business for Head Compliance - Global and Regional Legal & Compliance Conferences - Rethinking Leadership - Leadership Program for Manager - Compliance Office Training Program - Head of Compliance program for Y2019 - Market Conduct - Information Risk Management - Anti Corruption - Risk Awareness - Code of Conduct	-	-	2016 - Present - Head of Compliance, TMB Bank Plc. 2013 - 2016 - Executive Vice President, Head of Compliance, ANZ Bank (Thai) Plc. 2007 - 2013 - Senior Executive Vice President, Head of Compliance, Head of Compliance & Audit, Head of Legal & Compliance, and Company Secretariat Standard Chartered Bank (Thai) Plc.

Remarks: * Including shareholding of spouse and minor children

** Family Relationship by blood, marriage or registration under the laws

Attachment 4: Information of Appraised Value of Assets

N/A

Attachment 5: Change in TMB Shares held by Directors and Chiefs in 2019

as of 31 December 2019

No.	Name	Position	TMB shares held as of 31 Dec 2018	TMB shares held as of 31 Dec 2019	Change (net) Increase/(Decrease) in TMB shares
1	Mr. Prasong Poontaneat ¹	Chairman	-	-	-
	Spouse and minor children		-	-	-
2	Mr. Suphadej Poonpipat ²	Vice Chairman	-	-	-
3	General Nattaphon Narkphanit ³	Director	-	-	-
	Spouse and minor children		-	-	-
4	Mr. Philippe G.J.E.O. Damas	Director	2,556,580	5,126,411	2,569,831
	Spouse and minor children		-	-	-
5	Mr. Singha Nikornpun	Independent Director	-	-	-
	Spouse and minor children		-	-	-
6	Mr. Chumpol Rimsakorn	Director	-	-	-
	Spouse and minor children		-	-	-
7	Mr. Teeranun Srihong ⁴	Director	-	-	-
	Spouse and minor children		-	-	-
8	Mr. Yokporn Tantisawetrat	Director	-	-	-
	Spouse and minor children		-	-	-
9	Mr. Praisun Wongsmith	Independent Director	9,100	9,100	-
	Spouse and minor children		-	-	-
10	Mr. Somjate Moosirilert ⁵	Director	-	-	-
	Spouse and minor children		-	-	-
11	Mr. Prinya Hom-anek ⁶	Independent Director	-	-	-
	Spouse and minor children		-	-	-
12	Mr. Michal Jan Szczurek ⁷	Director	-	-	-
	Spouse and minor children		-	-	-
13	Mr. Piti Tantakasem	Director and Chief Executive Officer	6,838,700	11,572,894	4,734,194
	Spouse and minor children		-	-	-
14	Mrs. Prapasiri Kositthanakom	Chief Financial Officer Chief	-	-	-
	Spouse and minor children		-	-	-
15	Mr. Senathip Sripaipan	Chief Wholesale Banking Officer	-	-	-
	Spouse and minor children		-	-	-
16	Mr. Johannes Franciscus Grisel	Chief Risk Officer	-	-	-
	Spouse and minor children		-	-	-
17	Mr. Markus Dolenga ⁸	Chief Operating Officer	-	-	-
	Spouse and minor children		-	-	-
18	Mrs. Marie Ramlie ⁹	Chief Retail Banking Officer	-	-	-
	Spouse and minor children		-	-	-

Remarks: ¹ Mr. Prasong Poontaneat act as Chairman until December 31, 2019.

² Mr. Suphadej Poonpipat was appointed as Vice Chairman, effective from December 3, 2019.

³ General Nattaphon Narkphanit was appointed as Director, effective from May 30, 2019.

⁴ Mr. Teeranun Srihong was appointed as Independent Director, effective from December 17, 2019.

⁵ Mr. Somjate Moosirilert was appointed as Director, effective from December 3, 2019.

⁶ Mr. Prinya Hom-anek was appointed as Independent Director, effective from December 17, 2019.

⁷ Mr. Michal Jan Szczurek was appointed as Director, effective from December 17, 2019.

⁸ Mr. Markus Dolenga was appointed as Chief Operating Officer, effective from May 1, 2019.

⁹ Mrs. Marie Ramlie was appointed as Chief Retail Banking Officer, effective from August 1, 2019.